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Military Market

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NOVEMBER 1991
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Colin McMillan and
William Sharkey of the
Department of Defense

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Power Duo

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Military Market
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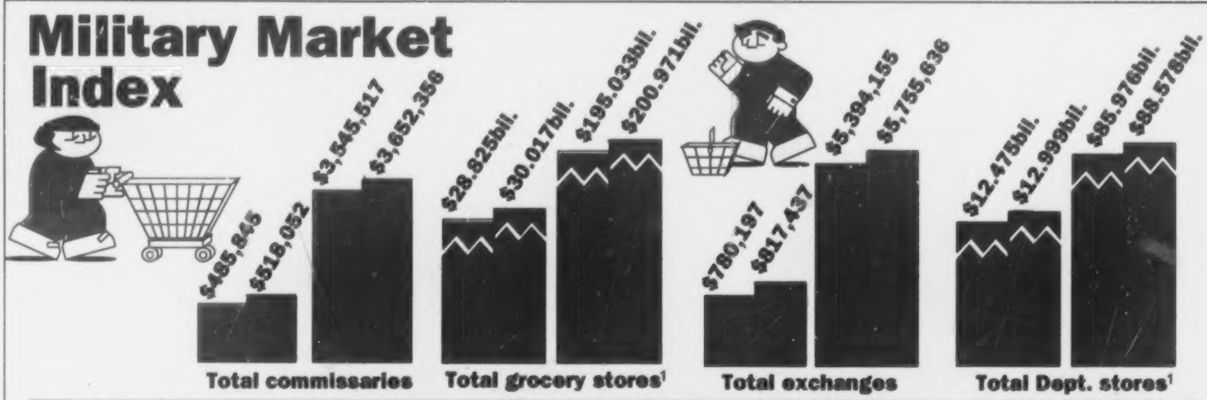


COMMISSARIES		**JULY**			**YEAR-TO-DATE**		
		CY '90	**CY '91**	**% CHANGE**	**CY '90**	**CY '91**	**% CHANGE**
ARMY	CONUS	$126,315	$136,300	+7.90	$900,900	$954,700	+5.97
	OVERSEAS	42,945	48,100	+12.00	319,935	325,390	+1.71
	TOTAL	**169,260**	**184,400**	+8.94	**1,220,835**	**1,280,090**	+4.85
AIR FORCE	CONUS	183,863	194,740	+5.92	1,330,854	1,360,394	+2.22
	OVERSEAS	37,930	40,724	+7.37	283,703	281,607	-0.74
	TOTAL	**221,793**	**235,464**	+6.16	**1,614,557**	**1,642,001**	+1.70
NAVY	CONUS	70,429	73,549	+4.43	532,261	548,498	+3.05
	OVERSEAS	7,767	7,473	-3.79	57,334	61,382	+7.06
	TOTAL	**78,196**	**81,022**	+3.61	**589,595**	**609,880**	+3.44
MARINES CORPS	CONUS	15,685	16,292	+3.87	114,181	113,838	-0.30
	OVERSEAS	275	311	+13.09	2,091	2,195	+4.97
	TOTAL	**15,960**	**16,603**	+4.03	**116,272**	**116,033**	-0.21
COAST GUARD	CONUS	288	279	-3.11	2,176	2,229	+2.44
	OVERSEAS	348	284	-18.39	2,082	2,123	+1.97
	TOTAL	**636**	**563**	-11.48	**4,258**	**4,352**	+2.21
	CONUS	$396,580	$421,160	+6.20	$2,880,372	$2,979,659	+3.45
ALL COMMISSARIES	OVERSEAS	$89,265	$96,892	+8.54	$665,145	$672,697	+1.14
	TOTAL	**$485,845**	**$518,052**	**+6.63**	**$3,545,517**	**$3,652,356**	**+3.01**
GROCERY STORES	***U.S.***[1]	*$28.825bil.*	*$30.017bil.*	*+4.14%*	*$195.0338bil.*	*$200.971bil.*	*+3.04%*

EXCHANGES		**JULY**			**YEAR-TO-DATE**		
AAFES	CONUS	$341,277	$353,126	+3.47	$2,274,487	$2,411,256	+6.01
	OVERSEAS	242,547	256,548	+5.77	1,696,512	1,860,854	+9.69
	TOTAL	**583,824**	**609,674**	**+4.43**	**3,970,999**	**4,272,110**	**+7.58**
MAIL ORDER	CONUS[2]	1,206	1,103	-8.54	7,877	10,945	+38.95
	OVERSEAS[2]	2,314	1,718	-25.76	16,314	19,133	+17.89
	TOTAL[3]	**3,520**	**2,821**	**-19.86**	**24,191**	**30,178**	**+24.75**
NAVY	CONUS[4]	100,167	108,345	+8.16	749,954	775,192	+3.37
	OVERSEAS[4]	46,793	47,387	+1.27	337,847	351,539	+4.00
	TOTAL[4]	**146,960**	**155,732**	**+5.97**	**1,087,801**	**1,126,731**	**+3.85**
MARINES CORPS	CONUS	31,470	33,248	+5.65	215,140	218,699	+1.65
	*OVERSEAS	3,843	5,629	+46.47	25,386	5,151	+38.84
	TOTAL[2]	**35,313**	**38,877**	**+10.09**	**240,526**	**72,673**	**+5.58**
COAST GUARD	CONUS[2]	9,841	9,606	-2.40	65,638	67,522	+2.87
	OVERSEAS	739	728	-1.49	5,000	5,151	+3.02
	TOTAL[2]	**10,580**	**10,333**	**-2.33**	**70,638**	**72673**	**+2.88**
ALL EXCHANGES	CONUS	$483,961	$505,427	+4.44	$3,313,096	$3,483,614	+5.15
	OVERSEAS	$296,236	$312,010	+5.32	$2,081,059	$2,272,022	+9.18
	TOTAL	**$780,197**	**$817,437**	**+4.77**	**$5,394,155**	**$5,755,636**	**+6.70**
DEPARTMENT STORES	***U.S.***[1]	*$12.475bil.*	*$12.999bil.*	*+4.20%*	*$85.976bil.*	*$88.578bil.*	*+3.03%*

Number of transactions: 332,632 (Marine Corps Commissaries) 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. *Camp Butler data not available for current month. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system. Figures do not include sales tax..

Marty Baumann

True to its word, DeCA extends shopping hours

On Oct. 1, the Defense Commissary Agency established longer operating hours at nearly half of its stores.

Beginning on Oct. 1, 166 of the 411 commissaries worldwide extended their shopping hours by an average 8 percent. No commissaries have been ordered to reduce hours.

Some store managers said they would not be able to extend their hours immediately after Oct. 1 because they needed to hire more workers first.

At places like McClellan AFB, Calif., the addition of 10 hours per week will mean shoppers can fill their carts until 8 p.m. on Tuesdays through Fridays. Before commissaries were consolidated into a joint-service agency, the store usually shut its doors on weeknights at 5 p.m. "It should be a convenience," said an employee at the McClellan commissary.

At NAB Little Creek, Va., the commissary planned to add 10 shopping hours per week by mid-October. "We're waiting to get the people on board before we can implement the hours," said Douglas Buntley, the assistant manager, who said he needs 15 to 25 more temporary cashiers. The jobs, which are at the GS-3 pay grade, pay about $6.50 per hour.

Officials said a recent agency survey of more than 2,400 commissary customers showed the one thing patrons wanted most was longer shopping hours.

The commissaries and the number of hours added to their weekly schedules are listed below in alphabetical order.

Aberdeen, Md. (10)
Alameda, Calif. (5)
Altus, Okla. (3)
Amberg, Germany (2)
Anderson, Guam (2)
Andrews, Md. (6)
Argentia, Canada (2)
Athens, Ga. (1)
Atsugi, Japan (2)
Bad Nauheim, Germany (3)
Bad Kissingen, Germany (1)
Bad Kreuznach, Germany (3)
Bangor, Maine (6)
Barksdale, La. (2.5)
Baumholder, Germany (4)
Beale, Calif. (6)
Bentwaters, England (0.5)
Berlin, Germany (1)
Bindlach, Germany (2)
Bitburg, Germany (1)
Bolling, D.C. (10)
Bremerton, Wash. (4)
Brooks, Texas (2)
Buedingen, Germany (2)
Cameron Station, Va. (2)
Camp Casey, South Korea (4)
Camp Courtney, Japan (4)
Camp Edwards, South Korea (3)
Camp Humphreys, South Korea (2)
Camp Kure, Japan (12)
Camp Merrill, Ga. (3)
Camp Pendleton, Calif. (8)
Camp Stanley, South Korea (2)
Carlisle Barracks, Pa. (4)
Charleston AFB, S.C. (2)
Charleston NB, S.C. (3)
Chievres, Belgium (2)
China Lake, Calif. (5)
Conrad, Mont. (3)
Dahlgren, Va. (2)
Darmstadt, Germany (1)
Davis-Monthan, Ariz. (8)
Dhahran, Saudi Arabia (2)
Dickinson, N.D. (1.5)
Eglin, Fla. (6)
Eielson, Alaska (4)
El Centro, Calif. (3)
El Toro, Calif. (6)
Elmendorf, Alaska (6)
Espinar, Panama (2)
Exmouth, Australia (2)
Fairchild, Alaska (8)
Fallon, Nev. (2)
Fitzsimons, Colo. (1)
Fort Bragg (Mallonee Village), N.C. (2)
Fort Campbell, Ky. (5)
Fort Devens, Mass. (4)
Fort Eustis, Va. (4)
Fort Gordon, Ga. (2)
Fort Greely, Alaska (2)
Fort Leavenworth, Kan. (2)
Fort Lee, Va. (5)
Fort Lewis, Wash. (3)
Fort McClellan, Ala. (4)
Fort Meade, Md. (2)
Fort Monmouth, N.J. (7)
Fort Myer, Va. (2)
Fort Ord, Calif. (4)
Fulda, Germany (2)
Germersheim, Germany (3)
Gila Bend, Ariz. (4)
Goodfellow, Texas (1.5)
Griffiss, N.Y. (8)
Gulfport, Miss. (2)
Hadnot Point, N.C. (2)
Hamilton, Calif. (7)
Hanau, Germany (22)
Hanscom, Mass. (4)
Havre, Mont. (1)
Heidelberg, Germany (2)
Hickam, Hawaii (2.5)
Holbrook, Ariz. (3)
Holy Loch, Scotland (2)
Homestead, Fla. (4)
Iwakuni, Japan (8)
Jacksonville, Fla. (2.5)
Karlsruhe, Germany (4)
Keesler, Miss. (2)
Keflavik, Iceland (5)
Kelly, Texas (2)
Key West, Fla. (4)
Kings Bay, Ga. (4)
Kinser, Japan (4)
Kunsan, South Korea (4)
Lackland, Texas (3)
La Junta, Colo. (2)
Langley, Va. (5)
Laughlin, Texas (3)
Lemoore, Calif. (5)
Little Creek, Va. (10)
Little Rock, Ark. (6)
Long Beach, Calif. (5)
Loring, Maine (6)
MacDill, Fla. (2)
Malmstrom, Mont. (6)
Maxwell, Ala. (2)
Mayport, Fla. (2)
McChord, Wash. (5.5)
McClellan, Calif. (10)
McGuire, N.J. (4)
Memphis, Tenn. (2)
Mildenhall, England (1.5)
Mitchell Field, Wis. (6)
Moffett Field, Calif. (7)
Mountain Home, Idaho (6)
Naples, Italy (5)
New London, Conn. (6)
New York, N.Y. (2)
Oceana, Va. (8)
Orlando, Fla. (4)
Patrick, Fla. (6)
Peterson Field, Colo. (4)
Point Mugu, Calif. (2)
Pope, N.C. (2)
Port Hueneme, Calif. (6)
Portsmouth, Va. (5)
Powell, Wyo. (3)
Quantico, Va. (8)
Randolph, Texas (3)
Redstone Arsenal, Ala.(2)
Rhein-Main, Germany (6)
Riyadh, Saudi Arabia (2)
Robins, Ga. (2)
Robinson Barracks, Germany (25)
Roosevelt Roads, P.R. (5)
Rota, Spain (1)
Sagamihara, Japan (4)
San Diego, Calif. (1)
San Miguel, Philippines (6)
Sasebo, Japan (1.5)
Schinnen, The Netherlands (2)
Scott, Ill. (2)
Sculthorpe, England (10)
Seattle, Wash. (4)
Sembach, Germany (0.5)
Seymour Johnson, N.C. (3)
Shaw, S.C. (4)
Skaggs Island, Calif. (3)
Spangdahlem, Germany (6)
Stockton, Calif. (5)
Subic Bay, Philippines (7)
Taegu, South Korea (2)
Travis, Calif. (4)
Twentynine Palms, Calif. (6)
Vicenza, Italy (2)
Vilseck, Germany (2)
Walter Reed, D.C. (6)
Whidbey Island, Wash. (8)
White Sands, N.M. (4)
Wilder, Idaho (3)
Wildflecken, Germany (2)
Wright-Patterson, Ohio (8)
Wuerzburg, Germany (10)
Yokosuka, Japan (2)
Yongsan, South Korea (4)
Zweibruecken, Germany (1)

DoD releases its base closing, realignment schedules

The Defense Department has released dates for closures and realignments approved this year by the Base Closure and Realignment Commission.

The Air Force will move much faster than the Army and Navy to close unneeded bases. A tentative schedule released by the Defense Department shows the Air Force plans to close seven bases in 1993, five in 1994 and one in 1995. The Navy plans to close only one base each of those years and then close three in 1996 and three in 1997. The Army plans to close two bases in 1996 and three in 1997.

Below is a list of tentative dates, shown in chronological order.

CLOSURES

NSSA *Los Angeles*, Calif.	Sept. '92
NOSC Det. *Kanehoe*, Hawaii	Aug. '93
Bergstrom AFB, Texas	Sept. '93
Carswell AFB, Texas	Sept. '93
NAS *Chase Field*, Texas	Sept. '93
Eaker AFB, Ark.	Sept. '93
England AFB, La.	Sept. '93
Myrtle Beach AFB, S.C.	Sept. '93
Williams AFB, Ariz.	Sept. '93
Wurtsmith AFB, Mich.	Sept. '93
ICSTF *San Diego*, Calif.	Aug. '94
NMWEA *Yorktown*, Va.	Aug. '94
CBC *Davisville*, R.I.	Sept. '94
Grissom AFB, Ind.	Sept. '94
Loring AFB, Maine	Sept. '94
Lowry AFB, Colo.	Sept. '94
Richards-Gebaur AFB, Mo.	Sept. '94
Rickenbacker AFB, Ohio	Sept. '94
NESEC *San Diego*, Calif.	Aug. '95
Castle AFB, Calif.	Sept. '95
NESEC *Vallejo*, Calif.	Sept. '95
NAVSTA *Puget Sound* (Sand Point), Wash.	Oct. '95
Fort Devens, Mass.	June '96
NWEF *Albuquerque*, N.M.	Sept. '96
Fort Ord, Calif.	Sept. '96
NSY *Philadelphia*, Pa.	Sept. '96
NAVSTA *Philadelphia*, Pa.	Sept. '96
NAVSTA *Long Beach*, Calif.	Oct. '96
Fort Benjamin Harrison, Ind.	July '97
Harry Diamond Lab, Woodbridge, Va.	Sept. '97
NAS *Moffett Field*, Calif.	Sept. '97
Sacramento Army Depot, Calif.	Sept. '97
NAVSTA *Treasure Island* (Hunters Pt.), Calif.	Sept. '97
MCAS *Tustin*, Calif.	Sept. '97

REALIGNMENTS

NUWES *Keyport*, W. Va.	Sept. '92
NWC *China Lake*, Calif.	Sept. '92
Mountain Home AFB, Idaho	Sept. '92
TRCCSMA *Newport*, R.I.	Sept. '92
Beale AFB, Calif.	Sept. '93
NWSC *Crane*, Ind.	Sept. '93
Goodfellow AFB, Texas	Sept. '93
NOS *Indian Head*, Md.	Sept. '93
NOS *Louisville*, Ky.	Sept. '93
Mather AFB, Calif.	Sept. '93
NSCSES *Norfolk*, Va.	Sept. '93
VSCOM/TROSCOM, *St. Louis*, Mo.	Sept. '93
MacDill AFB, Fla.	March '94
Aeromedical Research Lab, Ala.	Sept. '94
Army Inst. of *Dental Research*, D.C.	Sept. '94
Army *Research Inst.*, Va.	Sept. '94
Army Research Inst. of *Environ. Med.*, Mass.	Sept. '94
Biomedical Research Dev. Ctr., Md.	Sept. '94
Fort Chaffee, Ark.	Sept. '94
Fort Dix, N.J.	Sept. '94
NARC *Lakehurst*, N.J.	Sept. '94
Letterman LAIR, Calif.	Sept. '94
March AFB, Calif.	Sept. '94
NAF *Midway Island*	Sept. '94
NAPC *Trenton*, N.J.	Sept. '94
Walter Reed Army Inst. of Research, D.C.	Sept. '94
DTRC Det. *Annapolis*, Md.	Sept. '95
Army Aviation Aerostructures Directorate, Va.	Sept. '95
Ground Vehicle *Propulsion Research*, Mich.	Sept. '95
NAC *Indianapolis*, Ind.	Sept. '95
PMTC *Point Mugu*, Calif.	Sept. '95
FCDSSA *San Diego*, Calif.	Sept. '95
NSWC Det. *White Oak*, Md.	Sept. '95
Fort Polk, La.	Sept. '96
Letterkenny Army Depot, Pa.	Sept. '96
NUSC Det. *New London*, Conn.	Sept. '96
NCSC *Panama City*, Fla.	Sept. '96
NADC *Warminster*, Pa.	March '97
Army Materials *Technology Lab*, Mass.	Sept. '97
Atmospheric Science Lab, N.M.	Sept. '97
Belvoir R&D Ctr., Va.	Sept. '97
Ctr. for Night Vision & Electro-Optics, Va.	Sept. '97
Electronic Technology Device Laboratory, N.J.	Sept. '97
Harry Diamond Labs, Md.	Sept. '97
Picatinny Arsenal, N.J.	Sept. '97
Redstone Arsenal (ICP), Ala.	Sept. '97
Rock Island Arsenal (IOC), Ill.	Sept. '97

Wheeler starts HQ hiring freeze

> *"I intend for AAFES to return the loyalty of our employees to every extent we can . . ."*
>
> *— Army Maj. Gen. Albin G. Wheeler*

The new commander of AAFES took less than a week to put his stamp on the agency.

Army Maj. Gen. Albin G. Wheeler announced a hiring freeze on Oct. 4, just five days after taking over command of the agency from retiring Air Force Maj. Gen. Jeffery D. Kahla.

Because of the end of the Cold War and the resulting troop drawdown, Wheeler said in a news release, "There is no doubt that we in AAFES must take a series of actions from an organizational and a staffing point of view."

The freeze will last for an indeterminate period, according to AAFES spokesman Col. Helmer A. Gunhus. It applies to universal annual (UA) salaried employees and hourly paid personnel (HPP) in the Dallas headquarters and in headquarters elements at the AAFES Operations Support Center.

The freeze does not apply to ConUS region offices and AAFES distribution activities, including the Fashion Distribution Center in Dallas. Gunhus said AAFES does not currently anticipate extending the freeze to those areas.

Gunhus said the freeze was only applied to the headquarters "because in the last few years we're already taken a series of organizational and functional realignment steps in our field elements." He cited the realignment of ConUS region operations under Project Fresh Start as an example.

Wheeler announced that action would be stopped on any UA personnel requests not already processed, as well as any HPP vacancies that have not yet been posted. Gunhus said exceptions to the freeze will be reviewed on a case-by-case basis, and if found to be necessary, the actions to fill a needed vacancy will be approved by the commander.

When asked if employees will be shuffled around to fill critically understaffed positions, Gunhus said headquarters support to field activities will remain the same, and "staffing decisions will be addressed, as they occur, on a case-by-case basis."

Gunhus added that store staffing will continue to be done based on store sales and customer traffic patterns.

Wheeler sought to reassure current employees about job security. "We will help you to the extent possible during this 'build-down' phase by providing opportunities for those already on our payroll to be assigned to other positions as they come open through attrition," Wheeler said in the press release.

"Loyalty is a two-way street, and I intend for AAFES to return the loyalty of our employees to every extent we can in the coming environment."

Wheeler said the shape of the AAFES staff will be changing to reflect the 25 percent drawdown, but he expects that customer service will not suffer because of the reduction.

"Our focus in the years ahead will continue to be on the customer, our stockholder. We will tailor our work force to do the job required while ensuring we give the best possible service to those soldiers and airmen who are the reason for our existence," Wheeler said.

Gunhus said the freeze is not an effort to save money, but "an effort to adjust to the changing realities of the military resale world. We feel it is far better to undergo a freeze now, when we know reductions in the military services and our customer base are coming, than to wait and be forced to institute a less desirable RIF [reduction in force] at some future date."

"My experience in the marketplace is they don't ignore 800-pound gorillas."

— Colin McMillan, Assistant Secretary of Defense (for Production and Logistics) concerning DeCA's buying power

" H&BA " Stands for: Make Room for Profit

By Tim Boivin, Associate Editor

People in the health and beauty aids industry feel DeCA is one 800-pound gorilla that should be feasting on more than just bananas and other food items.

Maj. Gen. John P. Dreska apparently agrees. The agency's director announced in May that DeCA would increase the number of H&BA stock-keeping units it carries by 50 percent.

That decision brought immediate reaction from the exchange systems, some of whose executives appear to believe that exchanges will lose H&BA sales to commissaries — where products are sold at cost plus five percent, well below exchange markups.

The exchange systems carried their concerns all the way to Colin McMillan, whose Pentagon office oversees both commissary and exchange operations. Interviews indicate that the exchange systems were worried that the commissary agency plans to expand its list of authorized H&BA categories.

But officials from both DeCA and the Pentagon say that this is not what DeCA is going to do.

"I don't think John Dreska ever intended to reach out into new H&BA areas that they're not covering now," said William Sharkey, McMillan's director of program support, during an interview with MILITARY MARKET. DeCA plans "just to provide more selection," Sharkey said.

"After he [Dreska] made that speech, I heard, for sure, from all of the exchange systems expressing concern . . . . I know John Dreska has had dialogue with those guys [in the exchange systems], and I think they will work out an accommodation."

During the same interview, McMillan said that he was aware of the dispute between the resale systems over H&BA stockage, but said that the exchange systems and DeCA should resolve it among themselves and not involve him. As long as DeCA sticks to the categories that are currently approved for sale in commissaries, McMillan indicated, Dreska is probably on solid ground to order such an increase.

Jacques Loraine, chief of the operations division in DeCA's operations directorate, said he expects the line item increase to be made in 12 to 18 months — after the agency has gone through its product reviews and reset its stores.

"We're not expanding our current authorized categories," Loraine emphasized in a telephone interview. "We're staying with the same categories of products that were authorized. That way, we're not infringing upon our brothers over in the exchange system."

EXCHANGES WILL BE AFFECTED

Do the exchange systems have a lot to lose? Taking a look at AAFES' H&BA sales for the past three years, it would seem so.

In 1988, H&BA sales in AAFES were $234.3 million, but that jumped to $251.5 million in 1989. It leveled off in 1990 to $250.3 million, but in just seven months this year AAFES already did $156.7 million. AAFES is eyeing another large jump next year, projecting sales of $265 million.

Officially, spokesman Lt. Col. Louis J. Ammirati says the total effect on AAFES of DeCA's decision to expand "is yet to be determined."

The Navy Exchange Service Command's H&BA buyer, Mary Poitevint, said that her agency has "no plans to alter our strategy for H&BA at this time" as a response to DeCA's line item expansion.

However, Poitevint said the advent of NEXCOM's new Centralized Buying Office, which permits large-volume ordering for Navy exchanges, will allow NEXCOM to have "an overall improved core stock assortment, which will enable us to keep up with changing trends and implementing those changes quicker."

Poitevint said new Electronic Data Interchange partnerships with H&BA and other suppliers will also help reduce inventories and improve in-stock performance.

John Price, the head of retail operations for the Marine Corps exchange system, said in an interview that expanding H&BA SKUs in the commissaries "sounds like a good move on their part."

Price said that H&BA is 4½ percent of the Marine Corps exchange business, adding, "I'm sure that that's going to have some impact on those exchanges that are in close proximity to the commissaries."

Price termed the decision to expand commissary H&BA SKUs a "tough call," but said he hoped DeCA and the exchange systems will be able to work together in the future on changes that could prove detrimental to either of the systems.

"Maybe we don't do that [offer competing products] where there's an exchange right next door to a commissary, but it would be nice if we sat down and talked, instead of going in opposite directions," he said.

Price said part of the problem stems from the traditional quandary of deciding which type of shopping benefit a product should fall under: the appropriated fund commissaries or the non-appropriated fund world of exchanges.

"You're serving two masters here," Price explained. "One is strictly a service that's appropriated, that the people have worked for, that is part of their benefit. The other one is also a benefit package, but the profits go to supporting the MWR program throughout the world.

"Where it impacts on the funds provided to MWR, I think someone has to take a long, hard look at that and

Continued

make a good, business-type decision."

Price said with the increased H&BA assortment in commissaries, exchanges will be challenged to come up with different marketing strategies for H&BA.

"It's up to us, probably, to either carry different sizes or to merchandise differently than what the commissaries carry," Price said. "We normally respond to these kinds of moves by either enlarging our assortments, cutting back our assortments, or trying to do something within that classification that's going to have the customer pick up our product," he said.

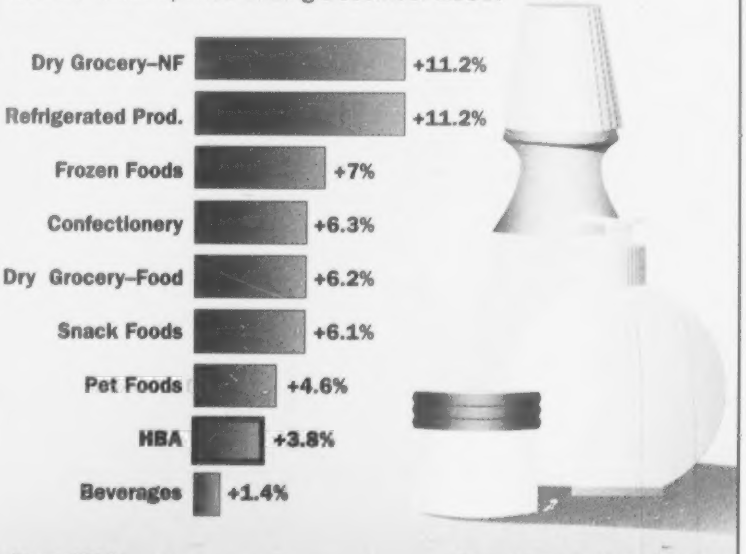
"But if you display your product properly, run your VPR specials, have the right item at the right time at the right place, the customer is going to buy it," Price concluded.

PLEASED WITH EXPANSION

DeCA's Jacques Loraine said the commissary agency is in the process of standardizing its product categories to "get our language the same as industry, so when we do category reviews, we review the same things."

Where's the Growth?

Of nine selected ConUS commissary categories, Health and Beauty Aids finished a distant eighth in terms of growth for the 12-month period ending December 1990.



Source: MAMI

Cristina Rivero for Military Market

However, he added, having the product categories aligned with industry standards will not result in DeCA bringing in any new items currently unauthorized by Congress.

Corporate military sales managers have applauded the move.

"I think this is long overdue," said one manager who did not wish to be identified. "I think from their standpoint [H&BA has] always been such a minor part of the commissary business because they've always been so commodity-related. I definitely believe the potential is there," he said.

"Even in the civilian market now, H&BA products are becoming a bigger and bigger part of the store. One of the reasons is the dollar volume that can be displaced from a smaller square footage standpoint," this manufacturer's representative concluded.

Likewise, the exchange systems have also benefited from tremendous profits the H&BA category generates from a relatively small amount of space. Those profits in turn become dividends for the MWR program. The exchange system fears are that a sizable chunk of the H&BA business may go out exchange doors and into commissary doors once Dreska pumps up the H&BAs, and that MWR dividends will subsequently suffer.

H&BA military sales managers contacted by MILITARY MARKET don't think this will happen.

"I think the exchanges might look at it as taking business from each other, but they can co-exist," said Lee Harris of Warner-Lambert. "It happens in the civilian world right now, where you'll see a Wal-Mart with a Target right across the street from it."

Harris was one of the military sales managers who put together the H&BA industry presentation that convinced Dreska to increase health and beauty SKUs. The presentation, made during the spring, included information provided by a number of H&BA producers, and was given by Lewis Williams of Johnson & Johnson to DeCA's top executives, including Dreska.

The presentation hyped the growth opportunities for DeCA in the health and beauty care category. It showed that in 1990, H&BA growth in domestic commissaries was just 3.8 percent, although it was 5.4 percent in civilian food stores, according to an A.C. Nielsen study.

In addition, that 3.8 percent growth rate in commissaries lagged well behind the overall 7 percent overall growth rate that commissaries had during 1990. H&BA in commissaries ranked eighth out of nine categories. Only beverages had less growth in ConUS stores.

The industry presentation also recommended that DeCA do a better job of seizing seasonal H&BA opportunities. For example, "cough and cold this time of year should increase by four or five feet, because of the number of the items that are involved in it," Warner-Lambert's Harris said.

At $1.3 billion in retail sales, the cough and cold category, Harris said, is "the biggest promotional category of the year for H&BA . . . . You need to expand the section to get more products in that category."

To do that, DeCA would have to decrease the amount of space it dedicates to some other category. Historically, flexibility of this type has been a problem for commissaries, but suppliers hope that the advent of a single agency to manage commissaries will help fix the problem.

"You've got to be flexible enough to expand and contract a category to tie in with the seasons . . . and they [commissaries] have not been doing that," Harris said. "That's one way the civilian market takes advantage of

Continued

"Over the long term, I probably get more bounce for my buck out of promotions in the commissaries than in the exchanges."

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the manufacturers, because they do flex their departments."

BIG BUCKS IN COUPONING

Another military sales manager said he hoped commissaries will experiment more with H&BA in the future. "Commissaries stay with the old staples. They are not as aggressive as civilian retail to try new items and to make changes," said Robert Smalkin of L'Oreal.

Smalkin added that, if commissaries "do become more aggressive, it would be a great thing for them and for the patron, because the patron would get a greater opportunity to buy a competitive product."

The H&BA category offers tremendous potential in couponing, both for customers and for DeCA itself, and this was another of the arguments the industry used to try to convince Dreska to increase shelf space.

"There are bigger bucks in H&BA in couponing than in any other categories," said Walter Loving of Monarch Crown. "In terms of redemption [rates] and value [of coupons], they are the leading category for the commissaries to expand into."

DeCA's Jacques Loraine said coupons were not the deciding factor in expanding commissary H&BA selections, even though DeCA could use the seven or eight cents each coupon is worth in redemption fees to the agency.

"That's always a perspective that the manufacturer will have, that their couponing events will be the ones that drive the customer in," Loraine said.

"We'll get some, but I don't think it will be any more than what we will get across the board. We'll get some money back into our CRF [Commissary Revolving Fund] money, and of course the [U.S.] Treasury gets back into their system some of our coupon handling fee, to kind of offset the administrative costs."

However, industry representatives warned DeCA not to ignore the benefits of coupons, especially since advertising is so closely tied to coupons, and coupon face values are on the rise.

"We're gearing our whole advertising schedule in 1992 to emphasize more couponing," said Steve Brunello of Miles, Inc. "I completely revamped the whole advertising schedule to 'SKU' more coupons. I'm looking to increase the coupon value significantly. I want to get away from the 35 and 50 cent type of thing, and get into the 75 cents and a dollar."

Warner-Lambert's Harris said increased couponing results in flexibility.

"Eckert Drug increased 'cough and cold' by 10 percent to take advantage of couponing," Harris pointed out. "I think personnel in DeCA should be more attuned to what's happening with H&BA because we do generate a tremendous amount of patron savings. I think they need to look closer at it as a promotional vehicle."

Loraine said a decision on realigning categories in the stores will be made after some additional analysis.

"We're going to be looking at total product movement. There are some areas that are kind of getting soft in the market today . . . we probably have more SKU facings in the store than we need," Loraine said.

In its new stores, DeCA plans to locate H&BA products in an alcove so patrons have plenty of time to shop the category without impeding store traffic flow.

"We noticed [that with] where we had health and beauty within our normal product flow we were stagnating our customer flow a little bit, because the customer's trying to do price comparison shopping on some very small items," Loraine explained.

Loraine said that while Dreska is sticking to his guns on the SKU expansion issue, the DeCA commander was scheduled to meet with commanders of the exchange systems during the American Logistics Association convention in late October to iron out any other difficulties. Monarch Crown's Loving is one industry representative who hopes Dreska doesn't back down.

"They should absolutely pursue this," Loving said. "They probably run about 50 percent less in any given category than the chains outside. It's not a number pulled out of the air." Loving said he thinks commissaries really need to expand in the analgesics and skin care areas.

Neal Harris of Johnson Products said he thinks DeCA should give more space to ethnic H&BA products. Loraine admitted that the commissaries have lagged behind in ethnic H&BA products, and will probably increase their offerings in that area.

MORE THAN $1 TO SPEND

Regardless of what categories get increased, Loraine downplays the argument that exchanges will suffer when commissaries expand their H&BA space.

"In the minds of a lot of people, a military member only has one dollar to spend, and when he's spending his dollar, he's got to make a decision whether to spend it with the exchange or the commissary," Loraine said.

"That's not true. He's got more than one dollar. I think what we might do is bring people back on post to shop rather than going outside the gate to shop at some of the local discount stores. We're trying to give that lower-graded individual an opportunity to try to save some of his income."

And Loraine said that exchanges would also benefit when commissaries increase their H&BA space.

"Past experiences I've had is that when we've brought a product line in that they [in exchanges] were not carrying, it actually brought their sales up because they've started bringing the item in.

"I can think of one time we were selling hair color. We only sold the kit, we didn't do the refills. Their refill business went berserk," Loraine said.

One military sales manager said he would prefer to increase his business with the commissaries because they pass 100 percent of a deal on to their customers. He said AAFES, like other retailers such as Wal-Mart and Kmart, may put an item on sale for three or four days, but the agency makes a killing on the low price because it purchases two or three months worth of product at the sale price.

"Over the long term, I probably get more bounce for my buck out of promotions in the commissaries than in the exchanges," he said. MM

ALA Convention Coverage

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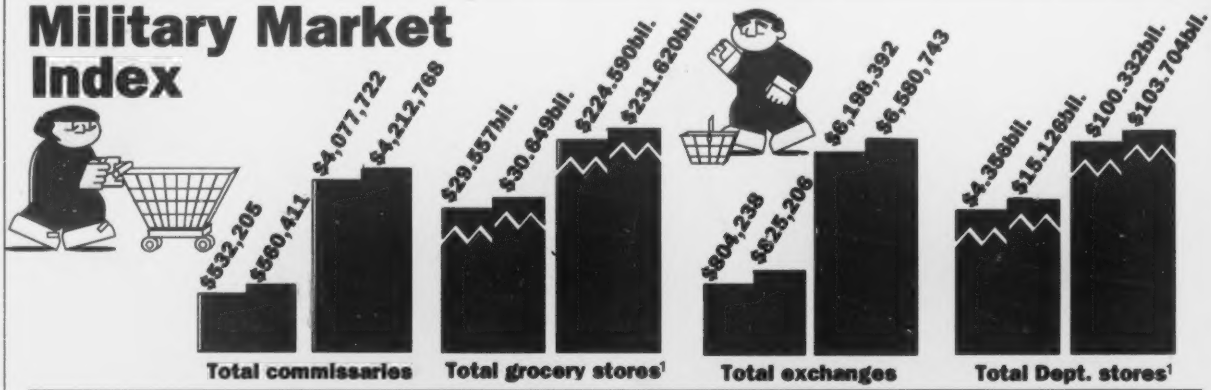

COMMISSARIES		**AUGUST**			**YEAR-TO-DATE**		
		CY '90	**CY '91**	**% CHANGE**	**CY '90**	**CY '91**	**% CHANGE**
ARMY	CONUS	$140,700	$150,000	+6.61	$1,041,600	$1,041,600	+6.06
	OVERSEAS	46,935	48,100	+2.48	366,490	366,870	+1.80
	TOTAL	**187,635**	**198,100**	+5.58	**1,408,470**	**1,408,190**	+4.95
AIR FORCE	CONUS	205,922	217,194	+5.47	1,536,776	1,577,588	+2.66
	OVERSEAS	42,880	45,552	+6.23	326,583	327,159	+0.18
	TOTAL	**248,802**	**262,746**	+5.60	**1,863,359**	**1,904,747**	+2.22
NAVY	CONUS	72,681	76,629	+1.30	604,942	622,127	+2.84
	OVERSEAS	8,062	7,949	-1.40	65,396	69,331	+6.02
	TOTAL	**80,743**	**81,578**	+1.03	**670,338**	**691,458**	+3.15
MARINES CORPS	CONUS	14,191	17,096	+20.47	128,372	130,933	+1.99
	OVERSEAS	248	359	+44.76	2,339	2,555	+9.23
	TOTAL	**14,439**	**17,455**	+20.89	**130,711**	**133,488**	+2.12
COAST GUARD	CONUS	286	279	-3.50	2,462	2,506	+1.79
	OVERSEAS	300	256	-14.67	2,382	2,379	-0.13
	TOTAL	**586**	**532**	-9.22	**4,844**	**4,844**	+0.85
	CONUS	$433,780	$458,195	+5.63	$3,314,152	$3,437,854	+3.73
ALL COMMISSARIES	OVERSEAS	$98,425	$102,216	+3.85	$763,570	$774,914	+1.49
	TOTAL	**$532,205**	**$560,411**	**+5.30**	**$4,077,722**	**$4,212,768**	**+3.31**
GROCERY STORES	***U.S.***[1]	*$29.557bil.*	*$30.649*	*+3.69*	*$224.590bi.*	*$231.620bil.*	*+3.13%*

EXCHANGES		**AUGUST**			**YEAR-TO-DATE**		
AAFES	CONUS	$351,545	$361,859	+2.93	$2,626,032	$2,773,115	+5.60
	OVERSEAS	238,986	247,559	+3.59	1,935,498	2,108,413	+8.93
	TOTAL	**590,531**	**609,418**	**+3.20**	**4,561,530**	**4,881,528**	**+7.02**
MAIL ORDER	CONUS[2]	1,206	1,103	+14.11	8,926	12,142	+36.03
	OVERSEAS[2]	2,314	1,718	-38.61	18,715	20,707	+10.64
	TOTAL[3]	**3,520**	**2,821**	**-22.58**	**27,641**	**32,849**	**+18.84**
NAVY	CONUS[4]	100,167	108,345	-0.32	862,595	887,472	+2.88
	OVERSEAS[4]	46,793	47,387	+0.12	385,742	399,491	+3.56
	TOTAL[4]	**146,960**	**155,732**	**-0.19**	**1,248,337**	**1,286,963**	**+3.09**
MARINES CORPS	CONUS	31,470	33,248	+4.99	249,770	255,056	+2.12
	'OVERSEAS	3,843	5,629	+35.75	29,727	41,138	+38.39
	TOTAL[2]	**35,313**	**38,877**	**+8.42**	**279,497**	**296,194**	**+5.97**
COAST GUARD	CONUS[2]	10,003	9,879	-1.24	75,640	77,300	+2.19
	OVERSEAS	747	756	+1.20	5,747	5,909	+2.82
	TOTAL[2]	**10,750**	**10,635**	**-1.07**	**81,387**	**83,209**	**+2.24**
ALL EXCHANGES	CONUS	$509,868	$521,572	+2.30	$3,822,963	$4,005,085	+4.76
	OVERSEAS	$294,370	$303,634	+3.15	$2,375,429	$2,575,658	+8.43
	TOTAL	**$804,238**	**$825,206**	**+2.61**	**$6,198,392**	**$6,580,743**	**+6.17**
DEPARTMENT STORES	***U.S.***[1]	*$14.356bil.*	*$15.126bil.*	*+5.36%*	*$100.332bil.*	*$103.704bil.*	*+3.36%*

Number of transactions: 357,357(Marine Corps Commissaries) 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system. Figures do not include sales tax..

Marty Baumann

DeCA's youthful regions reveal unique identities

Although still young, the Defense Commissary Agency's seven regions are already showing signs that they are each a unique entity.

During presentations at the American Logistics Association's annual convention in October, the seven region directors and commanders described many approaches to buying and merchandising products. All were candid about start-up problems.

A top DeCA executive admitted that the directions the regions will take are still not clear. "You're talking about a moving train right now," said DeCA's deputy director, Roy Speight.

Local suppliers will still be able to get their products into commissaries, said Army Col. Ray Ansel of the *Northwest/Pacific Region.* The "local Alaskan honeymaker" can still call on the local commissary officer to sell his or her product. Additions and deletions, Ansel said, "will be driven by customer demand."

Centralized pricing in the Northwest/Pacific Region will begin around May 1992, when the region begins getting its DeCA Interim Business System (DIBS) programs, Ansel said.

Real customer savings from centralized buying won't come until the *Northeast Region* gets centralized pricing, said Tony Collazo, the director.

Collazo's regional buyers are using a number of factors as criteria for deciding when a product will get a display, he said. These include the product's sales potential, its seasonality, activity by a competing item, the value of the VPR, and the vendor's promotional support.

Noting the chaos experienced during the startup period, Collazo said, "We've had a few flesh wounds, but there are no vital hits."

Selection of new items slowed during the *Southern Region's* startup, admitted region director John McGowan. "The door never was closed," he said, "but it wasn't wide open." Now that the new agency is under way, the region will be "more aggressive" about adding new items.

McGowan said the Southern Region's first commodity review will be held during December. His target is to have the first centrally-purchased deals going into Southern commissaries during January; suppliers should present their "very best" deals only.

To date, the *Southwest Region* has been working with three central pricing systems: Navy stores were hosted by a computer in San Diego, Air Force stores worked with a host system at Luke AFB, Ariz., and Marine stores depended on the computer at El Toro, Calif. (Army stores functioned independently.)

"Central item management is the key to running a region-based system," said director Pat Nixon, who predicted that he would have the capability for central pricing by February 1992.

Nixon said that, until his region has centralized buying, commissary officers will continue to negotiate deals on direct store delivery merchandise. They will probably do this until the spring of 1992, he added.

In the *Central Region,* said Cecil Saunders, its director, the goal will be to put an item on the Region Stock List within 10 to 12 working days after presentation.

Saunders said that he has not established a percentage discount to qualify a product for an end-cap or on-shelf display. However, he said that, ultimately, he wants to manage all end-cap displays from the region office.

At the *Midwest Region,* buyers will do biweekly new product reviews on the first and 15th of each month, said region commander Air Force Col. Jim Scott. He noted that his philosophy is that if a commissary doesn't have a product, the customer will go elsewhere, so a lot of emphasis is being put on adding new items.

See REGIONS, page 13

THE SEVEN SHADES OF PURPLE

The Defense Commissary Agency functions on the basis of centralized policies (which emanate from the agency's headquarters) and decentralized operations (which are carried out by the seven regions). This results in variations among the seven regions, some of which are shown on this chart.

Region	Total Stores	Projected Sales/year	No. of RSL Items	Key Items on RSL	New Items Since 6/91	No. of Buyers	Gets DIBS
Central	42	$877 mil.	23,000	8,000	150	6	11/92
Europe	117[1]	$700 mil.	5,333	249	149	4	4/92[2]
Midwest	42	$977 mil.	29,397	3,199	487	8	8/92
NW-Pacific	56	$800 mil.	11,900	3,655	1,000	7	6/92[3]
Northeast	47	$750 mil.	28,500	20[4]	2,298	11	10/91
Southern	54	$1.0 bil.	18,000	4,485	240	8	1992[5]
Southwest	52	$1.1 bil.	20,000	400	223	6	1991[6]

SOURCE: DeCA region offices, as of the middle of November.

[1] Plus 6 Navy location (joint commissary/exchange) stores in the United Kingdom.

[2] All European Region stores to be on line by this date.

[3] In June 1992, the Northwest/Pacific Region gets the DeCA Interim Business System (DIBS) for its ConUS operations. It arrives in ConUS stores beginning in September 1992.

[4] Expansion to come soon.

[5] Month not known, but it may be in February.

[6] Marine Corps stores already use DIBS. The Southwest Region plans to expand DIBS to Navy stores in early January 1992. It will be expanded to Army stores and then to Air Force stores at undetermined times.

MWR PROGRAMS

House panel favors equalizing MWR benefits

By SORAYA NELSON
Army Times News Service

Brig. Gen. James R. Joy (USMC-Ret.) testifies before the House MWR panel. Seated to Joy's left are Colin McMillan, Maj. Gen. Albin Wheeler, and Rear Adm. H. Donald Weatherson.

DOUG PENSINGER

Funding for morale, welfare and recreation programs should be overhauled to ensure that members are treated more equitably regardless of their service affiliation or duty station, congressional leaders said last month.

The maze of rules now used to finance programs ranging from day care centers to bowling alleys has resulted in vast differences in MWR programs between the services and from base to base.

The Air Force, for example, spends more than twice as much per member ($811 per year) on MWR programs than does the Marine Corps ($335). The Army ($744) and the Navy ($411) fall between the extremes.

"We'd like to have the quality of what the Air Force has," admitted Barbara Pope, the Navy's assistant secretary for manpower and reserve affairs.

In addition to scrubbing its list of remote bases, the Pentagon is reviewing MWR programs in all the services to determine how they should be changed to meet the needs of the restructured force.

That review should be completed in about four months, said Millicent Woods, deputy assistant secretary for personnel, support, families and education.

Appearing Nov. 7 before the House Armed Services Committee's morale, welfare and recreation panel, Pope and other senior defense officials agreed that there are problems with the current system. They said, however, that there is no easy fix to the problem.

But panel chairman Rep. H. Martin Lancaster, D-N.C., warned that if the system is not fixed, congressional support for MWR programs could be threatened.

"The panel is concerned that limited resources are being targeted to specific interest groups depending upon the 'squeaky wheel' method of priority, where single-issue advocacy smothers [the] reality of limited resources for a wide patron base," Lancaster said.

The disparity is also visible from base-to-base within the services, Lancaster said.

Taxpayer "support at the $1.3 billion level is in question," added Rep. David O'B. Martin, R-N.Y., "especially as the need for high levels of recruitment and retention goes away."

Martin added that "support will be completely out of the question if the American people doubt the efficiency, value and integrity of these programs."

Lancaster also called for redesigning the $41 million fund used for MWR programs at bases in remote and isolated areas. The fund uses tax dollars to subsidize MWR programs at bases that cannot sustain the programs through fees and other revenues.

He proposed that each of the services be given lump sums to distribute among remote sites as they see fit, instead of individually funding each base that has the designation.

Some of the bases receiving these additional tax dollars have millions of dollars in the bank from patron funds they have collected over the years, said a congressional aide who asked not to be identified. Others cater largely to civilian personnel. These bases do not need taxpayers' assistance, the aide said.

"There is no question ... that the present designations [of remote bases] have some deficiencies," said Robert Silberman, principal deputy assistant defense secretary for force management and personnel.

The Defense Department has asked the services to review their listings of remote and isolated bases, Silberman said. More than 200 sites now are considered remote and are eligible for taxpayer MWR support. That number could be cut in half, Silberman said. But there might be additional bases without that designation that should be classified as remote, he added.

Lancaster also suggested that a way to make MWR programs more equitable would be to establish a policy that required a core group of MWR programs — made available servicewide — that would be based on the size of each base.

Silberman cautioned against the blanket policy, saying it would not take into account the differences that might exist between same-sized bases.

"It has some advantages but I also see some risks," he said.

Kim Wincup, the Army assistant secretary for manpower and reserve affairs, agreed, adding that such a policy might be too inflexible during the military drawdown.

"I think it's a good concept ... but it is a better concept for a time of certainty than today," Wincup said.

"We must have a set of criteria that approves only those bases that are clearly self-evident as tough places to live and work," said Judy Ann Miller, the Air Force's principal deputy assistant secretary for manpower, reserve affairs, installations and environment.

However, additional funding should not be provided as an incentive to bases that are losing money because they do not run their programs properly, Miller added.

REGIONS

(continued from page 12)

East of the Atlantic, said *Europe Region* director Charlie Wiker, "we do not consider ourselves in a declining market, but a hybrid market."

"We will work it smart," said Wiker, referring to the coordination needed to bring the central distribution facility at Germersheim, Germany, on line. Much of the future success of commissaries in Europe, he said, depends on "blowing out the excesses."

Market Report

Cookies & Crackers Sail A True and Steady Course

By Larry Moffi, Managing Editor

The consolidation of the four commissary systems into the Defense Commissary Agency has divided the resale grocery world into seven regions. Each region is like a continent surrounded by an ocean filled with vendors in search of hospitable ports.

But the accessibility of DeCA's seven distinct shorelines seems to depend almost entirely on the wave that manufacturers of cookies and crackers are riding. For every vendor out there shouting "Land Ho!", there's another one crying "Uh-oh!"

A year ago, many cookie and cracker manufacturers hailed the regionalizing of the commissary systems as resale's belated entry into 20th century commerce. At the time, discussion in the industry focused on whether DeCA's regions would mirror A.C. Nielsen's roll-out, marketing and regional structures for civilian accounts in the cookie and cracker category.

In a December 1990 interview with MILITARY MARKET, Dennis O'Connor, East Coast military sales manager for the Keebler Co., voiced this hope, and he wasn't alone in his speculations. But as DeCA's first full quarter of operations draws to a close, O'Connor and others have begun to revise their thinking.

"To date," says O'Connor in a recent phone interview, "there hasn't been any noticeable change [in getting products into the stores] from region to region, primarily because [DeCA's] regionalized buying isn't fully up and running yet.

"Most of the regions have allowed us to work at the store level, so we really haven't felt the strain of the DeCA transition."

AN IDEAL REGIONAL CATEGORY

When DeCA's director, Maj. Gen. John P. Dreska, announced that he wanted to run the new commissary system like a regionalized national grocery chain, suppliers celebrated. Because they are direct store delivered (DSD) and require neither warehousing nor back-up space, cookies and crackers are suited to DeCA's plans. But industry's optimism now seems to have been premature.

One of the most regional categories on civilian supermarket shelves, cookies and crackers are also among the most egalitarian. Regional brands have traditionally enjoyed a profitable share of the market without fear of being crushed by national powerhouses.

Given strong local civilian tastes, many cookie and cracker suppliers felt that regionalization under DeCA would support a marketing approach similar to that in the retail sector. George Hanson, director of military sales for Nabisco Biscuit Co., believes that the military market for cookies and crackers can reflect that of civilian supermarkets to the extent that "people bring their shopping patterns from home, then pick up a little bit of the local tastes."

Lis Akhtarzandi of Military Audits of Market Information (MAMI), is more emphatic. "With DeCA's regionalization," she says, "we've already begun to see 20 percent [12 month] share swings between major brands according to region. It's really more reflective of what happens in the retail market.

"Cookies *are* growing in certain regions," Akhtarzandi reports. This is particularly true in the Southern and Central regions, she says. On the DeCA map, the Central region includes Virginia, North Carolina, Kentucky, Arkansas and Tennessee. In the civilian sector, these are typically considered among the southern states.

Akhtarzandi believes that such regionalized growth — which in the military cookie/cracker category resembles that of the retail market — will result in "more individualized marketing according to the demands of the region" for commissary suppliers.

And that's precisely the problem.

As Keebler's O'Connor points out, "With the geography [being what it is], it's a shame you can't take it down a step farther to look at the specific market. There are many different markets within the DeCA regions."

Regardless of the applicability of Nielsen data, however, O'Connor anticipates an eventual marketing shift from total military promotions to regional military campaigns once DeCA's regionalized buying is totally functional.

IN SEARCH OF THE ELUSIVE PROFILE

The civilian market data O'Connor cites involves analysis of customer profiles. But MAMI, despite its many benefits, does not generate this information — and MAMI data is DeCA gospel.

Randy Barto, national military sales manager for Pepperidge Farm, believes that MAMI data is inappropriate, "given what DeCA is asking us to do."

Because customer loyalty for Pepperidge Farm products is particularly strong in DeCA's Northeast region (the company's market share there is better than 25 percent for both cookies and crackers), it's no surprise that Barto calls herself "a firm believer in customer profiles."

Concerning the military, however, Barto has no choice but to proceed by deduction and her "gut feeling" to determine how much push to give her product in any one region.

She cites Redstone Arsenal, Ala., as an example. "It's a base that represents a scientific field and an educated community. That, and the location is an area where there's a low cost of living," she says. By identifying locations in the civilian sector that exhibit these factors, Barto can begin to intelligently estimate how well her lines will do in the Redstone Arsenal community.

Barto and others feel that such information more than applies in the commissary system. Ultimately, it serves the patron.

But gut feelings and deductions aren't hard numbers, and at least for the first three months under DeCA, Barto

THE DeCA COOKIE & CRACKER COUNT

Cookies and crackers are enjoying good health under DeCA's new ConUS configuration. The annual unit count for cookies for the year ending April 1991 was nearly 27.5 million (up 3.7 percent over the previous 12-month period), with annual dollar volume at $50.5 million (up 6.8 percent). In the cracker category, the annual unit count was 22.5 million (up 3.3 percent over the previous 12-month period); annual dollar volume for crackers was $40.67 million, an increase of 11.2 percent.

Cookie Totals	NORTHEAST	SOUTHERN	SOUTHWEST	MIDWEST	NORTHWEST	CENTRAL
DeCA $ total	17.04%	20.21%	21.33	18.54%	5.12%	17.77%
Unit Change versus '90	+2.42%	+7.06%	+0.21%	+2.62%	0.00%	+7.73%
$ Vol. Change versus '90	+5.17%	+9.11%	+4.93%	+5.91%	+4.70%	+9.67%

Cracker Totals	NORTHEAST	SOUTHERN	SOUTHWEST	MIDWEST	NORTHWEST	CENTRAL
DeCA $ total	17.38%	20.52%	21.26%	17.69%	5.42%	17.72%
Unit Change versus '90	+4.38%	+5.07%	+0.85%	+1.57%	+1.25%	+5.84%
$ Vol. Change versus '90	+12.47%	+12.19%	+9.01%	+9.48%	+10.74%	+13.21%

Unit Measure: lbs. All figures are for the year ending April 1991.

Source: MAMI

has had to live with comparative unit sales derived from different DeCA regions. Because Pepperidge Farm is a premium line, Barto feels her product suffers from DeCA's emphasis on unit sales. "They're not figuring on dollars per foot," she says. "Unit movement, that's the real hang-up."

To date, Barto hasn't been able to place her Classic Snack Mix — her No. 2 seller after Cheddar Goldfish — in DeCA's Southern region. Barto hopes that once all DeCA buyers are on board, buyer education by members of the industry will be both possible and welcome. Until then, she says she'll concentrate her marketing efforts in the areas of coupons and demonstration, which are philosophically in line with DeCA's product analysis.

Bill Witke, a division manager for Mother's Cakes and Cookies, sounds a similar, if more alarmed, cry. Based in Oakland, Calif., Mother's has long been a strong regional line, outselling all other brands in Northern California's civilian market. But Witke worries that if DeCA relies solely on unit movement, the agency might ultimately begin to view the separate cookie and cracker segments as a single category, which could put him out of business in the military.

Sources at MAMI, however, say this should not be the case. And Witke, too, acknowledges that DeCA's penchant for direct store delivery in the cookie category will probably be his salvation.

"DSD helps us at the store level," he says, which is as close to the bottom line as a vendor can get. And at least for the foreseeable future, DSD will remain the key to the category throughout all seven DeCA regions.

WHAT IS THIS DeCA BUSINESS, ANYWAY?

Despite the likelihood of Mother's continued regional success, Witke's concerns are real, and may reflect the notion that DeCA will bring about a radical change in the commissary system. One thing Pepperidge Farm's Barto knows for sure: It's not just DeCA's buyers she'll want to educate.

Pepperidge Farm uses many individual franchise bakers nationally, many of whom are befuddled by the DeCA acronym. They know what a commissary is, but what's this DeCA business, anyway?

"Most of them are just having a hard time understanding what DeCA is all about," says Barto. She says the best thing she has done to make DeCA more visible to her regional associates is bringing Charlie Welch, Pepperidge's celebrity baker, to DeCA's Oct. 1 grand opening at Bolling AFB, Md.

In practice, the day-to-day life of the cookie and cracker category hasn't changed much from the way it operated under the four service commissary systems. Nabisco's Hanson voices a representative viewpoint when he notes that DeCA is "still a governmental agency," though it's surprisingly progressive in its thinking.

"Where else can you be involved in PAT [process action] teams?" he asks rhetorically, pointing out that civilian retailers generally don't involve their suppliers in discussions about organizational matters.

"The commissaries are mandated to bring their inventories down," Hanson says. "But as DSD vendors, the transition has had a very mild impact on us — the stuff turns [on the shelf] sufficiently — before they even have to pay for it."

Like Pepperidge Farms' Randy Barto, Nabisco's Hanson notes the need to educate regional and local people. "It's like taking title of a used car. You've still have got to have this fixed and that fixed," says Hanson. "So we're encouraging our people to spend as much time as they can with the new DeCA buyers.

"After all, when you look at the work guys like [DeCA Operations Director] Bob Tate and [Southwest Region chief] Pat Nixon continue to do, you can appreciate the distance DeCA's come." MM

☐ 1992 COMMANDERS' PREDICTIONS ☐ SUPPLY BULLETIN DIRECTORY

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COVER PHOTOGRAPH by PAULA NELSON; DESIGN by CHRISTINA RIVERO. Pictured: BRUCE ALLEN, a full-time warehouse worker at the AAFES Fashion Distribution Center in Dallas.

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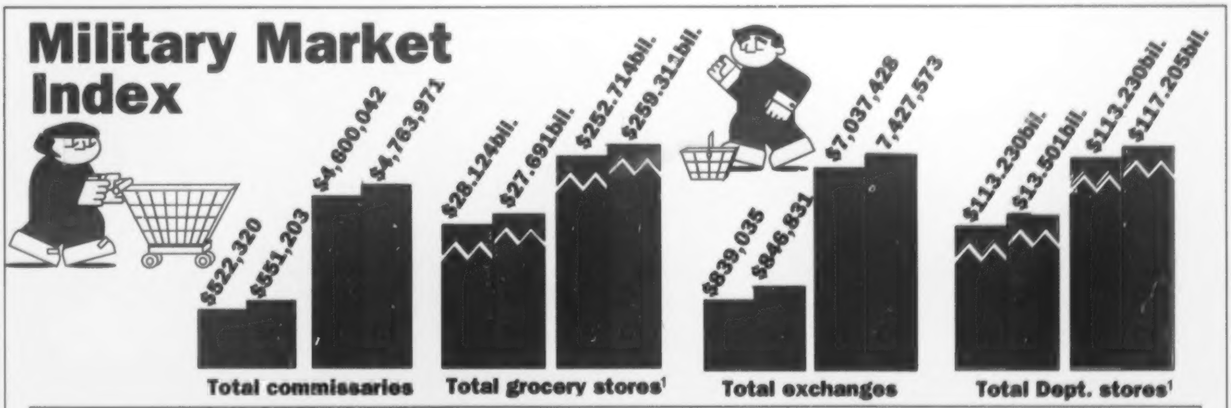

COMMISSARIES		SEPTEMBER			YEAR-TO-DATE		
		CY '90	**CY '91**	**% CHANGE**	**CY '90**	**CY '91**	**% CHANGE**
ARMY	CONUS	$130,515	$142,170	+8.93	$1,172,115	$1,246,870	+6.38
	OVERSEAS	46,305	43,995	-4.99	413,175	417,485	+1.04
	TOTAL	**176,820**	**186,165**	+5.29	**1,585,290**	**1,664,355**	+4.99
AIR FORCE	CONUS	189,150	182,422	-3.56	1,725,926	1,760,009	+1.97
	OVERSEAS	40,244	43,707	+8.61	366,827	370,867	+1.10
	TOTAL	**229,394**	**226,129**	-1.42	**2,092,753**	**2,130,876**	+1.82
NAVY	CONUS	89,942	110,526	+22.89	694,884	732,654	+5.44
	OVERSEAS	10,001	12,103	+21.02	75,397	81,434	+8.01
	TOTAL	**99,943**	**122,629**	+22.70	**770,281**	**814,098**	+5.69
MARINES CORPS	CONUS	15,160	15,246	+0.57	143,532	146,179	+1.84
	OVERSEAS	260	300	+15.38	2,599	2,855	+9.85
	TOTAL	**15,420**	**15,546**	+0.82	**146,131**	**149,034**	+1.99
COAST GUARD	CONUS	352	422	+19.89	2,814	2,927	+4.02
	OVERSEAS	391	312	-20.20	2,773	2,691	-2.96
	TOTAL	**743**	**734**	-1.21	**5,587**	**5,618**	+0.55
	CONUS	$425,119	$450,786	+6.04	$3,739,271	$3,888,639	+3.99
ALL COMMISSARIES	OVERSEAS	$97,201	$100,417	+3.31	$860,771	$875,332	+1.69
	TOTAL	**$522,320**	**$551,203**	**+5.53**	**$4,600,042**	**$4,763,971**	**+3.56**
GROCERY STORES	***U.S.***[1]	*$28.124bil.*	*$27.691bil.*	*-1.54%*	*$252.714bil.*	*$259.311bil.*	*+2.61%*

EXCHANGES		SEPTEMBER			YEAR-TO-DATE		
AAFES	CONUS	$346,626	$352,340	+1.65	$2,972,658	$3,125,455	+5.14
	OVERSEAS	259,746	251,190	-3.29	2,195,244	2,359,603	+7.49
	TOTAL	**606,372**	**603,530**	**-0.47**	**5,485,058**	**5,485,058**	**+6.14**
MAIL ORDER	CONUS[2]	901	1,222	+35.63	9,829	13,364	+35.97
	OVERSEAS[2]	1,967	2,020	+2.69	20,682	22,727	+9.89
	TOTAL[3]	**2,868**	**3,242**	**+13.04**	**30,091**	**36,091**	**+18.29**
NAVY	CONUS[4]	127,842	129,727	+1.47	990,436	1,017,199	+2.70
	OVERSEAS[4]	57,913	60,322	+4.16	443,655	459,813	+3.64
	TOTAL[4]	**185,755**	**190,049**	**+2.13**	**1,434,091**	**1,477,012**	**+2.99**
MARINES CORPS	CONUS	29,968	33,543	+11.93	279,738	288,599	+3.17
	OVERSEAS	3,149	5,763	+83.01	32,876	46,900	+42.66
	TOTAL[2]	**33,117**	**39,306**	**+18.69**	**312,499**	**335,499**	**+7.32**
COAST GUARD	CONUS[2]	10,167	9,939	-2.24	85,239	87,239	+1.67
	OVERSEAS	756	765	+1.19	6,674	6,674	+2.63
	TOTAL[2]	**10,923**	**10,704**	**-2.00**	**93,913**	**93,913**	**+1.74**
ALL EXCHANGES	CONUS	$515,504	$526,771	+2.19	$4,338,468	$4,531,856	+4.46
	OVERSEAS	$323,531	$320,060	-1.07	$2,698,960	$2,895,717	+7.29
	TOTAL	**$839,035**	**$846,831**	**+0.93**	**$7,037,428**	**$7,427,573**	**+5.54**
DEPARTMENT STORES	***U.S.***[1]	*$12.898bil.*	*$13.501bil.*	*+4.68%*	*$113.230bil.*	*$117.205bil.*	*+3.51%*

Marine Corps transactions unavailable for this month. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000); except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system. Figures do not include sales tax..

Marty Baumann

Seven Shades of Purple — CDCs in DeCA's 7 Regions

REGION/CDCs	LINES	SUPPORTED STORES
CENTRAL REGION[1]		
Camp Lejeune	2,600	Cherry Point, Hadnot Point, New River, Tarawa Terrace
Great Lakes	1,980	Crane, Great Lakes
Norfolk	1,140	Fort Story, Little Creek, Norfolk, Oceana, Portsmouth, Yorktown, Bermuda
MIDWEST REGION[2]		
Colorado Springs	1,800-2,500	AF Academy, Fitzsimons, Ft. Carson, La Junta, Lowry, Peterson
El Paso/Alamogordo	1,800-2,500	Cannon, Ft. Bliss, Holloman, Kirtland, Reese, White Sands
Ellsworth	1,800-2,500	Belle Fourche, Dickinson, Ellsworth, Forsyth
San Antonio	1,800-2,500	Bergstrom, Carswell, Dyess, Ft. Hood 1 & 2, Goodfellow, Brooks, Ft. Sam Houston, Kelly, Lackland, Laughlin, Randolph, Chase Field, Corpus Christi, Kingsville
Wichita	1,800-2,500	Altus, Ft. Riley, Ft. Sill, McConnell, Offutt, Sheppard, Tinker, Vance
NORTHEAST REGION[3]		
Cameron Station	1,700	Andrews, Annapolis, Bolling, Cameron Station, Dahlgren, Ft. Belvoir, Ft. McNair, Ft. Myer, Patuxent River, Quantico, Vint Hill, Walter Reed
Mechanicsburg	1,853	Aberdeen, ARDEC, Carlisle Barracks, DDRE, Dover, Tobyhanna, Edgewood, Ft. Detrick, Ft. Hamilton, Ft. Meade, Ft. Monmouth, Ft. Ritchie, Governors Island, Kelly SF, Lakehurst, McGuire, NS New York, Philadelphia, West Point, Germersheim and Lakenheath CDCs (less than full loads)
Newport	1,345	Argentia, Bangor, Brunswick, Cutler, Ft. Devens, Hanscom, Mitchel Field, New London, Newport, Scotia, Winter Harbor
SOUTHERN REGION[4]		
Charleston	630 approx.	Charleston NB, Charleston WS, Parris Island
Jacksonville	630 approx.	Jacksonville, Mayport, Cecil Field, Orlando, Albany, Kings Bay, Key West, Roosevelt Roads, site stores at Antigua, Guantanamo Bay
Pensacola	630 approx.	Pensacola, Whiting Field, Meridian, Gulfport, Memphis, New Orleans
Robins	630 approx.	Turkey, Mediterranean, Panama
SOUTHWEST REGION[5]		
Davis-Monthan	N/A	Davis-Monthan, Ft. Huachuca, Gila Bend, Holbrook, Luke, Williams
El Toro	2,004	Barstow, China Lake, Edwards, El Toro, Ft. Irwin, George, Long Beach, Los Angeles, March, Nellis, Norton, Point Mugu, Port Hueneme, San Onofre, Twenty-Nine Palms, Vandenberg
Hill	N/A	Dugway, Hill
Oakland	2,747	Alameda, Beale, Castle, Fallon, Ft. Ord, Hamilton, Lemoore, Mare Island, Mather, McClellan, Moffet Field, Oakland, Presidio, Sierra, Skaggs Island, Stockton, Travis, Treasure Island, overseas
San Diego	2,100	Camp Pendleton, El Centro, Imperial Beach, Miramar, North Island San Diego NTC, San Diego NS, Yuma MCAS, Yuma PG
NORTHWEST/PACIFIC REGION[6]		
Camp Kinser	5,000-6,000	Camp Courtney, Camp Foster, Camp Kinser, Kadena
Seattle/Tacoma	2,000 max.	Adak, Bangor, Bremerton, Fairchild, Ft. Lewis, McChord, Seattle, Whidbey Island
Yokosuka	5,000-6,000	Atsugi, Camp Kure, Negishi Heights, Sasebo, Yokosuka
EUROPE REGION[7]		
Germersheim	3,400	Central Europe stores under $500,000 in annual business
Lakenheath	4,600-4,700	Lakenheath, all Navy stores in U.K.
Mainz-Kastel	N/A	N/A
Spinelli	3,500-4,000	Stores in Southern Europe

NOTE: Information provided by DeCA regions. Current as of December 1991. [1] *CENTRAL: Will have 32 stores with FDS and four stores which are standalones: K.I. Sawyer, Selfridge, Seymour Johnson, and Wurtsmith.* [2] *MIDWEST: A decision has been made to build a CDC in San Antonio; no other details are available. Region currently has two CDCs: Ellsworth (services Belle Fourche, Dickinson, and Forsyth) and Corpus Christi (services Chase Field and Kingsville). Region plans two Remote Distribution Centers: Grand Forks and Minot.* [3] *NORTHEAST: In the near future, Mechanicsburg CDC will handle less than full loads for CDCs at Germersheim and Lakenheath. Four stores will get FDS but no CDC support: Ft. Drum, Griffiss, Loring, and Seneca.* [4] *SOUTHERN: Region will have four RDCs: Panama (supports Corozal, Ft. Espinar, and Howard); Maxwell (supports Gunter and Maxwell); Ft. Gillem (supports Camp Merrill and Ft. McPherson); and MacDill (supports Avon Park and MacDill). Region has no standalones; all stores get FDS or CDC support.* [5] *SOUTHWEST: Chart shows region's plans for five CDCs. Currently, there are three CDCs: El Toro supports six ConUS and one overseas store; Oakland supports eight ConUS, five overseas, and 10 embassy stores; and San Diego supports 12 ConUS stores. Also, the store at Luke currently supports the stores at Gila Bend and Holbrook. Currently, the region has 24 stores which get no CDC support.* [6] *NORTHWEST/PACIFIC: The stores at Sagamihara, Japan, and Osan, Pusan, Taegu and Yongsan, Korea, all support smaller stores, though they are not officially called CDCs. Additional CDCs have been proposed for Ft. Richardson and Ft. Wainwright, Alaska; Pearl Harbor/Hickam, Hawaii; Tracy, Calif.; Iwakuni, Japan, and Orote, Guam. Standalone stores — supported by neither FDS or CDCs — are at Conrad, Fairchild, Havre, Malmstrom, Mountain Home, Powell and Wilder.* [7] *EUROPE: Lakenheath stockage will be expanded to 5,000-5,500 line items by May/June 1992; by September 1992, it will service all Air Force stores in the U.K. Germersheim will service all Central Europe stores doing up to $700,000 in annual business by April/May 1992; by July/August 1992, it will pick up all other stores in Central Europe. Lines stocked will increase to 5,000-5,500 by May/June 1992. DLA will operate Spinelli CDC by April/May 1992. Mainz-Kastel CDC will be phased out within the next 12 months.*

☐ Frozen Foods ☐ Menswear Buying

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Charting a New Course

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Military Market Index

COMMISSARIES		OCTOBER				YEAR-TO-DATE			
		CY '90	CY '91	PERCENT CHANGE	AVERAGE SALES	CY '90	CY '91	PERCENT CHANGE	STORES
CENTRAL	CONUS	–	$72,413	–	$1,766	–	–	–	41
	OVERSEAS	–	376	–	376	–	–	–	1
	TOTAL	–	**72,789**	–	**1,733**	–	–	–	**42**
MIDWEST	CONUS	–	65,134	–	1,447	–	–	–	45
	OVERSEAS	–	79	–	79	–	–	–	1
	TOTAL	–	**65,213**	–	**1,418**	–	–	–	**46**
NORTHEAST	CONUS	–	83,057	–	1,730	–	–	–	48
	OVERSEAS	–	5,854	–	1,171	–	–	–	5
	TOTAL	–	**88,911**	–	**1,678**	–	–	–	**53**
SOUTHERN	CONUS	–	79,808	–	1,900	–	–	–	42
	OVERSEAS	–	0	–	–	–	–	–	0
	TOTAL	–	**79,808**	–	**1,900**	–	–	–	**42**
SOUTHWEST	CONUS	–	84,554	–	1,626	–	–	–	52
	OVERSEAS	–	0	–	–	–	–	–	0
	TOTAL	–	**84,554**	–	**1,626**	–	–	–	**52**
NORTHWEST/ PACIFIC	CONUS	–	22,004	–	1,693	–	–	–	13
	OVERSEAS	–	44,292	–	1,007	–	–	–	44
	TOTAL	–	**66,296**	–	**1,163**	–	–	–	**57**
EUROPE	CONUS	–	0	–	–	–	–	–	0
	OVERSEAS	–	58,693	–	502	–	–	–	117
	TOTAL	–	**58,693**	–	**502**	–	–	–	**117**
TOTAL COMMISSARIES	CONUS	$413,259	$406,970	-1.52	$1,689	$4,152,960	$4,295,609	+3.43	241
	OVERSEAS	$95,848	$109,294	+14.03	$651	$958,428	$984,626	+2.73	168
	TOTAL	**$509,107**	**$516,264**	**+1.41**	**$1,262**	**$5,111,388**	**$5,280,235**	**+3.30**	**409**
GROCERY STORES	*U.S.*[1]	*$28.055bil.*	*$28.911*	*+3.05*	–	*$280.769bi.*	*$288.222bil.*	*+2.65%*	–

EXCHANGES		OCTOBER			YEAR-TO-DATE		
		CY '90	CY '91	PERCENT CHANGE	CY '90	CY '91	PERCENT CHANGE
AAFES	CONUS	$349,189	$325,700	-6.73	$3,321,847	$3,451,155	+3.89
	OVERSEAS	268,019	200,200	-25.30	2,463,263	2,559,803	+3.92
	TOTAL	**617,208**	**525,900**	**-14.79**	**5,785,110**	**6,010,958**	**+3.90**
MAIL ORDER	CONUS[2]	1,076	1,500	+39.41	10,903	14,864	+36.33
	OVERSEAS[2]	2,383	2,200	-7.68	23,065	24,927	+8.07
	TOTAL[3]	**3,459**	**3,700**	**+6.97**	**33,968**	**39,791**	**+17.14**
NAVY	CONUS[4]	109,330	109,160	-0.16	1,099,766	1,126,359	+2.42
	OVERSEAS[4]	47,569	50,446	+6.05	491,224	510,259	+3.88
	TOTAL[4]	**156,899**	**159,606**	**+1.73**	**1,590,990**	**1,636,618**	**+2.87**
MARINES CORPS	CONUS	30,972	34,940	+12.81	310,710	323,539	+4.13
	OVERSEAS	3,301	5,977	+81.07	36,177	52,877	+46.16
	TOTAL[2]	**34,273**	**40,917**	**+19.39**	**346,887**	**376,416**	+8.51
COAST GUARD	CONUS[2]	10,333	9,693	-6.19	96,141	96,932	+0.82
	OVERSEAS	764	774	+1.31	7,268	7,448	+2.48
	TOTAL[2]	**11,097**	**10,467**	**-5.68**	**103,409**	**104,380**	**+0.94**
ALL EXCHANGES	CONUS	$500,900	$480,993	-3.97	$4,839,367	$5,012,849	+3.58
	OVERSEAS	$322,036	$259,597	-19.39	$3,020,997	$3,155,314	+4.52
	TOTAL	**$822,936**	**$740,590**	**-10.01**	**$7,860,364**	**$8,168,163**	**+3.92**
DEPARTMENT STORES	*U.S.*[1]	*$13.778bil.*	*$14.588bil.*	*+5.88*	*$127,0080bi.*	*$131.793bil.*	*+3.77%*

NOTE: Missing data will be provided when available. Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax.
1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.

CONSUMER SURVEY

Commissaries rank high on active duty shopping lists

By DAVID CRAIG
Associate Editor

Active duty service members in the continental United States on average buy less than half their goods on military installations. However, a study shows they purchase nearly two-thirds of their food for home use at commissaries.

The government's food stores account for 64 percent of food purchases for home use and for 55 percent of purchases of personal care products, says the random survey of 3,600 active duty military personnel conducted for the Pentagon's Per Diem, Travel and Transportation Allowance Committee.

The survey, taken among military service members in the 48 contiguous

Active Duty Commissary and Exchange Use By Military Pay Range

PURCHASES MADE IN COMMISSARIES

Product	All	E1 -E4	E5 -E6	E7 -E9	W1 -O3	04 -05	06 +
Cigarettes	59	59	62	65	41	42	44
Beef and veal	64	60	65	67	64	70	74
Pork	59	52	60	63	58	66	70
Lamb	26	20	23	27	33	42	49
Fish	45	39	45	49	48	53	53
Poultry	67	63	67	70	69	74	77
Frozen vegetables	65	59	65	66	68	75	77
Frozen fruit	56	51	56	59	59	64	67
Frozen juice	56	51	56	59	59	64	67
Canned meat/fish	53	40	54	60	57	64	70
Canned vegetables	67	65	67	69	65	71	73
Canned fruit	63	59	63	65	62	70	72
Canned juice	63	59	63	65	62	70	72
Eggs	72	69	73	72	71	74	74
Margarine	74	72	75	74	72	77	79
Butter	74	72	75	74	72	77	79
Milk, fresh	70	68	72	71	68	68	72
Milk, dried	34	26	32	37	40	46	48
Cheese	71	68	72	73	71	73	75
Flour	69	63	69	73	71	77	79
Cake mix	69	63	69	73	71	77	79
Sugar	72	68	72	74	72	77	79
Cereals	73	68	74	74	73	78	80
Rice	68	64	68	71	70	77	79
Coffee	69	77	69	77	69	76	78
Tea	69	77	69	77	69	76	78
Fresh fruit	66	65	67	66	64	64	66
Potatoes	65	63	67	65	63	64	67
Fresh vegetables	65	63	67	65	63	64	67
White bread	69	67	71	68	69	69	72
Other bread	69	67	71	68	69	69	72
Candy	49	51	54	54	54	57	61
Shortening/cook oil	68	62	69	73	68	75	78
Baby food	41	30	45	42	53	38	23
Soft drinks	66	62	67	68	65	72	75
Toothpaste	71	68	73	74	71	73	77
Razor blades	71	68	73	74	71	73	77
Deodorant	71	68	73	74	71	73	77
Detergent/soap	75	72	76	76	75	79	83
Sanitary napkins	70	62	72	75	74	79	83
Toilet paper	70	62	72	75	74	79	83
Light bulbs	68	63	69	71	70	73	77

PURCHASES MADE IN EXCHANGES

Product	All	E1 -E4	E5 -E6	E7 -E9	W1 -O3	04 -05	06 +
Beer	39	37	40	36	42	43	51
Wine	47	42	47	46	49	54	64
Liquor	49	45	49	49	51	57	67
Non-prescription drugs	59	49	61	64	63	65	72
Sewing machine	33	30	33	34	36	39	44
Electric iron	33	30	33	34	36	39	44
Washing machine	33	30	33	34	36	39	44
Vacuum cleaner	33	30	33	34	36	39	44
Bath towel	23	21	24	25	23	26	28
Sheet	23	21	24	25	23	26	28
Man's suit	31	27	31	32	30	40	43
Man's slacks	31	27	31	32	30	40	43
Man's shirt	31	27	31	32	30	40	43
Man's shoes	31	27	31	32	30	40	43
Woman's dress	29	26	29	30	26	34	37
Woman's blouse	29	26	29	30	26	34	37
Woman's skirt	29	26	29	30	26	34	37
Woman's slip	29	26	29	30	26	34	37
Woman's pantyhose	29	26	29	30	26	34	37
Child's jeans	31	26	33	31	33	38	36
Child's shoes	31	26	33	31	33	38	36
A/V (TV/VCR/stereo)	31	25	32	32	32	40	44
Record/CD	38	35	40	39	37	44	47
Pre-record or VHS	38	35	40	39	37	44	47
Cassette tape/blank	38	35	40	39	37	44	47
Camera, film/process	42	35	42	45	46	51	54
Paperback book	37	36	38	38	37	38	39
Local paper	37	36	38	38	37	38	39
Out-of-town paper	37	36	38	38	37	38	39
Weekly magazine	37	36	38	38	37	38	39
Bicycle/sport goods	31	24	31	33	33	39	39

PURCHASES MADE ELSEWHERE ON BASE

Product	All	E1 -E4	E5 -E6	E7 -E9	W1 -O3	04 -05	06 +
Gasoline	49	45	51	51	52	48	47
Auto tires	21	15	19	23	25	31	38
Oil change	19	19	18	18	21	21	26
Tune-up	19	19	18	18	21	21	26
Auto labor cost	19	19	18	18	21	21	26
Base laundry	21	15	21	28	23	25	31
Laundromat	12	16	12	10	8	7	5
Dry cleaning	39	34	38	44	41	45	46
Men's hair service	59	55	58	63	63	60	58
Child's haircut	59	55	58	63	63	60	58
Beauty shop	15	13	17	17	14	11	12

SOURCE: DoD Per Diem, Travel, and Transportation Allowance Committee states in late 1989 and early 1990, was the first such random study among service personnel of all ranks. Earlier studies of shopping at military stores had included only a sampling of people — those who actually visited the commissaries, exchanges and other base facilities.

"This is the first time this has ever been done this way," Leonard Pomeroy, chief of the committee's cost of living allowance (COLA) section, told MILITARY MARKET.

The study included some "eye-opener" news for researchers, he said, noting that officials used to think about 80 percent of the food purchased for military home use came from commissaries.

But Pomeroy cautioned that officials "don't really know what the trends are" among the users of the government stores since previous studies were not random and only focused on in-store shoppers. The random survey included a more diverse sampling of U.S. military personnel.

Reseachers will get a better idea of on-base store use after conducting another random survey at the end of this year. "We're committed to doing another one around the end of 1992," Pomeroy said.

The survey's results are used to determine COLAs for personnel living in expensive overseas locations. The U.S. purchase data give officials an idea of how much income military people stationed overseas are spending on day-to-day purchases.

The survey found that for every $100 of a service member's "spendable" income, roughly $57 are spent on items that can be bought on military installations. On average, 45 percent of purchases are made on military posts and bases, giving the facilities about $25 for every $100 in spendable income of active duty service members.

The Pentagon defines spendable income as total income minus housing costs, federal income taxes, gifts and contributions and savings, Pomeroy said.

The other $43 of every $100 in spendable income goes toward items that cannot be purchased on government installations, for example, telephone service, food eaten away from home, part of a service member's transportation, and some recreational activities such as movies and sporting events.

For every $100 of a service member's spendable income, roughly $57 are spent on items that can be bought on military installations.

The big purchases on bases included food at home (64 percent), personal care products (55 percent), tobacco and alcohol (49 percent) and some furniture and other household items (47 percent).

The survey revealed that the longer a person serves in the military, the more likely he or she is to use commissaries, exchanges or other stores on military installations. The highest-paid enlisted members and highest-ranking officers tended to use the stores more often on purchases of everything from light bulbs to milk.

Officers tended to make greater use of the stores than enlisted personnel, although higher-grade enlisteds sometimes used the stores more often than lower-grade officers who have been in the service for less time.

Cigarette purchases seemed to be an exception. Enlisted members made between 60 percent and 65 percent of their tobacco purchases at commissaries, while officers made between 40 percent and 45 percent of their purchases there. It was not clear whether cigarettes were a true exception to the survey's general rule or whether the difference reflected other trends.

Eggs were a purchase often made by enlisteds and officers alike. On average, military personnel bought 72 percent of their eggs on-base. The figure was fairly consistent from the lowest-paid enlisted person to the highest-ranking officer. Other favorite food products bought at commissaries were margarine and butter (74 percent) and fresh milk (70 percent).

Some of the least used goods and services on the installations were the laundromat (12 percent overall), auto tune-ups and oil changes (19 percent), and lamb (26 percent).

The survey excluded service members living in barracks or on ships, and had a margin of error of plus or minus about 3 percentage points.

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Frozens gear up for the long haul

By David Craig, Associate Editor

Frozen food manufacturers feel their products, long standard fare for Americans, will stay on dinner tables for quite a while. And many of them are taking steps to make sure frozens will remain popular with the next shopping generation as well.

Most frozens producers don't see the new microwaveable, shelf stable foods as a significant challenge to their $28.7 million military business in frozen dinners. However, some Defense Commissary Agency buyers, as well as some suppliers, think shelf stables hold potential if customers ever widely accept them.

One newly popular frozens subcategory is products forumulated and marketed for children. Since many youngsters often get home before their moms and dads arrive to cook dinner, some manufacturers are tailoring and marketing products to suit young meal preparers who are old enough to use microwave ovens.

REACHING THE FUTURE CUSTOMER

Marketing children's products is definitely one trend heating up the frozen food business, says Sandy Horan, a commissary management specialist in DeCA's Southern Region.

"That's expanded big time," Horan told MILITARY MARKET. "They're [the suppliers] going after kids big time."

Child-oriented meals, some of which feature cartoon characters in the packaging, have joined gourmet meals and diet foods as "about the hottest items today" in frozen foods, Horan said.

Some suppliers design their products specifically for young patrons. Tyson/Tastybird/Holly Farms has marketed its line of Looney Tunes meals for about two years. The Springdale, Ark., company recently expanded children's meals beyond meat-based products.

"We are introducing pasta meals in that area," said Mitch Thrower, the company's director of military sales and marketing. He said the company is considering other kids items, too, "possibly in the breakfast area."

Tyson currently has about 20 products in the "child-convenient category," he said.

"Demographic numbers all indicate, at least on the retail side, that [with] the number of working mothers, working wives . . . there are a lot of latch-key kids that this type of a meal would be appealing to," Thrower said.

Marketing numbers show child-oriented products are a growing field. Kid Cuisine by ConAgra Frozen Foods enjoyed 10.6 percent of the frozen dinner market in commissaries during the 12 months ending in November 1991, according to Military Audits of Market Information of Bethesda, Md. The increase from 8.8 percent in the previous year made Kid Cuisine the fourth-largest seller in category brand shares.

Tyson's Looney Tunes brand accounted for another 2.5 percent of the frozen dinner business for the same period, up from 0.6 percent in the previous 12-month period, MAMI said.

ConAgra, a pioneer in developing and marketing children's meals, is expanding the category. After an initial launch of eight items, the Omaha, Neb., company soon introduced four more. It has now entered the children's breakfast category, said Richard Fortmeyer, the company's vice president for military sales and marketing.

"We discovered through our market research that there was no real kids-type meal available in that fast-growing, exceptionally dynamic breakfast section," Fortmeyer said.

He said ConAgra has expanded children's meals into the next generation, creating larger-portion dinners for hungrier youngsters.

OTHER TACKS ON MARKET EXPANSION

Not all companies have created products specifically for children. Instead, they have tried to make meals attractive to younger and older customers alike.

For instance, Ray Gadd, general manager for sales and marketing at H.J. Heinz Special Markets, said his company sells some of its products — he mentioned French fries — as "fun food" that appeals to children.

"At Heinz, we feel that children are eating our products today, and we don't need to come out with a line specifically designed for children," Gadd said.

Children influence buying, he said, and "while they are not the actual consumers, they are helping their parents make decisions on their purchasing habits."

As the youngsters grow up, they may find more grocery choices — shelf stable items such as microwave dinners that don't require refrigeration. The Southern Region's Sandy Horan believes they probably will.

"Yes, there is an increase" in sales of shelf stables, he said. The new products offer a "good alternative" for parents who want something their children can use without requiring refrigeration.

"I think it's here to stay," Horan said.

Dennis Graven, a buyer in DeCA's Northwest/Pacific Region, told MILITARY MARKET it will take time to see whether shelf stables pose a real challenge to frozens.

"Not yet, but it is projected that they may," Graven said. "It's going to take some time, but I feel that they will."

He said shelf stables will probably become a contender in the market late in 1992, with moderate sales by the fourth quarter.

But Joel Springer, a frozen food buyer for DeCA's Central Region, said shelf stables pose absolutely no threat to the frozens business.

"I think there will always be frozen foods," Springer said.

Frozens promotions suffer from limited refigeration space, while shelf stables can keep just about anywhere. But frozen food suppliers are quick to point out that consumers hold very favorable opinions of freezer goods.

"I would contend that the shelf stables aren't going to have a big impact on the frozen food business," said Don

FROZEN DINNER & ENTREE CONTRIBUTION INDEX

Commissary consumer tastes in frozen dinners and entrees — from the extra portion selection to premium and economy single and multi servings — are decidedly regional. The chart below shows the regional extremes of the dollar index — the change in percentage of total sales within a region — for frozen dinners and entrees.

		DINNERS			ENTREES	
REGION	Extra Portion	Single Serving	Premium Single Srv.	Economy Multi Srv.	Economy Single Srv.	Premium Single Srv.
Northeast	- 09%	- 09%	+ 07%	- 02%	- 15%	+ 02%
Central	- 08%	+ 12%	- 06%	+ 46%	+ 07%	- 03%
Midwest	- 07%	+ 15%	- 06%	+ 14%	+ 15%	- 02%
Southern	- 10%	- 13%	+ 09%	+ 05%	+ 04%	+ 01%
Southwest	+ 20%	+ 01%	- 05%	- 39%	+ 02%	+ 03%
Northwest	+ 19%	- 10%	+ 01%	- 09%	- 34%	+ 03%

Figures are for the 12-month period ending May 1991.

Source: MAMI

Nelson, national sales manager for government and special markets for Stouffers. "People haven't taken a liking to them."

He cited taste and consistently good quality as advantages of frozens.

"Ask a housewife how many times she'd like to eat an MRE [Meals, Ready to Eat]. And that's about what a shelf stable product is," Nelson said. "I guess the proof is in the pudding — try it and see if you like it."

Nelson said today's customers are more discerning and look for quality and good taste.

But Tyson's Thrower suggested if a manufacturer of frozen spaghetti competes with a canned version of the same product — like Spaghetti Os — then he should watch his price points to make sure his product appeals to a price-conscious customer. If parents can split a canned item among their children and save money, they might find that product more attractive.

"I think they [shelf stables] are having an impact, maybe a slight impact, on the frozen dinner category," Thrower said. "But it would only seem reasonable to me that if they get the quality and the taste up — and go along with all the health trends in the frozen products — it would be a pretty advantageous product for the consumer to buy. It eliminates the cost of freezing it," Thrower said.

But consumer perceptions may give the advantage to frozens, he said. "I think a lot of people could possibly consider the shelf stable meal to be like almost a C-ration or a combat meal-type of thing."

Thrower noted that "people have been buying chili out of a can and beef stew out of a can for years. But then in some of the other areas there could almost be a perception that, 'Hey, this is almost like what I had back in Vietnam or something.'

"It's not, but I think there could be a perception," said Thrower, who acknowledged he had never tried a shelf stable meal.

"People would almost feel there's got to be some preservatives in that thing to protect the taste. If they can get past that, I think it could be a going category," he said.

ConAgra's Fortmeyer said he does not consider shelf stables a significant challenge to frozens. "I think 10 or 15 years ago there was a headline released in the industry that they thought shelf stables were going to eventually replace frozens. And [over] the course of events that have gone now . . . I don't think that that has really come to pass," Fortmeyer said.

ConAgra itself has ventured into shelf stables and still sells some items "without the thought that it would lead to the cannibalization of some of our frozen brands," Fortmeyer said.

Unlike their overseas counterparts, North American manufacturers still need to win consumer confidence that shelf stables "are as tasteful and in some cases as nutritional and safe as frozens," he said.

Southern Region buyer Sandy Horan dismissed concerns about the taste and quality of shelf stables, saying some sellers appear to be "looking over their shoulder . . . . The products they are coming out with are getting better."

Nevertheless, sales of microwaveable shelf stable lunches and dinners may be fading. For the year ending November 1991, MAMI data showed microwaveable lunches selling about $9.8 million, a drop of 6.5 percent over the previous 12 months.

Some suppliers mentioned shopper price sensitivity as a trend in frozens. MAMI research shows that in ConUS, "non-premium" frozen dinner portions were among the fastest growing areas in dinner sales for the 12 months ending May 1991.

The non-premium portions, which cost less and are marketed for the cost-conscious customer, saw unit sales volume rise over the year, giving them a larger share of frozen sales. Non-premium portions grew far faster in dollar sales than premium portions.

Premium entrees fared better, however. Volume rose 18.8 percent during the 12 months ending in May 1991, while economy singles dropped by 12.3 percent, according to MAMI. For the year ending May 1991, MAMI said frozen entree sales grew to $36.1 million in ConUS, up 13.7 percent.

What does the future hold for those ol' frozen favorites — TV dinners and pot pies? ConAgra's Fortmeyer thinks they'll fare well against newcomers.

"The prognosticators in the industry . . . over the last few years said that with the advent of all the new products and all the new ideas . . . those old items would be dead, gone and buried right now. And we're finding that they're still very healthy out there," Fortmeyer said.

"Matter of fact, we're seeing not only a protection and maintenance but a resurgence in our business of our dinners that have been around for 20 years." MM

■ DeCA Buying ■ Main Street vs. AAFES

Military Market.

MAGAZINE FOR THE MILITARY RESALE SYSTEM ARMY TIMES PUBLISHING COMPANY MARCH 1992 $6.00

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Maj. Gen. Albin Wheeler
AAFES Commander

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POINT MAN FOR THE FUTURE

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COMMISSARIES		NOVEMBER				YEAR-TO-DATE			
		CY '90	CY '91	PERCENT CHANGE	AVERAGE SALES	CY '90	CY '91	PERCENT CHANGE	STORES
CENTRAL	CONUS	–	$72,228	–	$1,762	–	–	–	41
	OVERSEAS	–	394	–	394	–	–	–	1
	TOTAL	–	**72,622**	–	**1,729**	–	–	–	**42**
MIDWEST	CONUS	–	81,290	–	1,935	–	–	–	42
	OVERSEAS	–	0	–	0	–	–	–	0
	TOTAL	–	**81,290**	-	**1,935**	–	–	–	**42**
NORTHEAST	CONUS	–	65,319	–	1,452	–	–	–	45
	OVERSEAS	–	75	–	75	–	–	–	1
	TOTAL	–	**65,394**	–	**1,422**	–	–	–	**46**
SOUTHERN	CONUS	–	79,808	–	1,716	–	–	–	48
	OVERSEAS	–	0	–	1,197	–	–	–	5
	TOTAL	–	**79,808**	–	**1,667**	–	–	–	**53**
SOUTHWEST	CONUS	–	82,354	–	1,595	–	–	–	52
	OVERSEAS	–	5,985	–	–	–	–	–	0
	TOTAL	–	**88,339**	–	**1,595**	–	–	–	**52**
NORTHWEST/ PACIFIC	CONUS	–	21,792	–	1,676	–	–	–	13
	OVERSEAS	–	44,961	–	1,022	–	–	–	44
	TOTAL	–	**66,753**	–	**1,171**	–	–	–	**57**
EUROPE	CONUS	–	0	–	–	–	–	–	0
	OVERSEAS	–	60,902	–	521	–	–	–	117
	TOTAL	–	**60,902**	–	**521**	–	–	–	**117**
TOTAL COMMISSARIES	CONUS	$428,069	$405,293	-5.17	$1,684	$4,581,030	$4,701,532	+2.63	241
	OVERSEAS	$99,311	$112,317	+13.10	$669	$1,057,742	$1,096,943	+3.71	168
	TOTAL	**$527,380**	**$518,240**	**-1.73**	**$1,267**	**$5,638,772**	**$5,798,475**	**+2.83**	**409**
GROCERY STORES	*U.S. 1*	*$28.256bil.*	*$28.911bil.*	*+2.13*	–	*$309.295bil.*	*$288.222bil.*	*+2.61*	–

EXCHANGES		NOVEMBER			YEAR-TO-DATE		
		CY '90	CY '91	PERCENT CHANGE	CY '90	CY '91	PERCENT CHANGE
AAFES	CONUS	$359,187	$388,771	+8.24	$3,681,034	$3,839,926	+4.32
	OVERSEAS	275,248	254,817	-7.42	2,738,511	2,814,620	+2.78
	TOTAL	**634,435**	**643,588**	**+1.44**	**6,419,545**	**6,654,546**	**+3.66**
MAIL ORDER	CONUS	2,199	1,552	-29.42	13,102	16,416	+25.29
	OVERSEAS	3,597	2,841	-21.02	26,662	27,768	+4.15
	TOTAL	**5,796**	**4,393**	**-24.21**	**39,764**	**44,184**	**+11.12**
NAVY	CONUS	117,360	118,066	+0.60	1,217,126	1,244,425	+2.24
	OVERSEAS	51,692	51,780	+0.17	542,916	562,040	+3.52
	TOTAL	**169,052**	**169,846**	**+0.47**	**1,760,042**	**1,806,465**	**+2.64**
MARINES CORPS	CONUS	36,631	34,260	+7.18	347,341	362,904	+4.48
	*OVERSEAS	4,676	6,563	+40.36	40,853	59,276	+45.10
	TOTAL	**41,307**	**45,823**	**+10.93**	**388,194**	**422,180**	+8.75
COAST GUARD	CONUS	10,503	10,769	+2.53	106,644	107,701	+0.99
	OVERSEAS	774	783	+1.16	8,042	8,231	+2.35
	TOTAL	**11,277**	**11,552**	**+2.44**	**114,686**	**115,932**	**+1.09**
ALL EXCHANGES	CONUS	$525,880	$558,418	6.19	$5,365,247	$5,571,372	+3.84
	OVERSEAS	$335,987	$316,784	-5.72	$3,356,984	$3,471,935	+3.42
	TOTAL	**$861,867**	**$875,202**	**+1.55**	**$8,722,231**	**$9,043,307**	**+3.66**
DEPARTMENT STORES	*U.S.*	*$17.533bil.*	*$18.199bil.*	*+3.80*	*$144.541bil.*	*$149.992bil.*	*+3.77%*

Note: Missing data will be provided when available. Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. *Marine Corps 1990 November overseas figure does not include Camp Butler, Okinawa. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

Market Report

"Reformulation" — The newest diet buzzword

By David Craig, Associate Editor

Reformulation — the process of recreating products in healthier forms — has taken hold in food manufacturing. As a result, commissary shoppers will likely keep seeing more choices of familiar food products — candy, soup, crackers and frozen foods, among other categories — made with less salt, lower fat and fewer calories.

Manufacturers, responding to the demands of a health conscious nation, are challenged with producing healthful foods — without sacrificing taste — for better nutrition.

This spring, for example, Americans in the western United States will get to try a new, lighter version of M&M/Mars' popular Milky Way bar. The product, dubbed Milky Way II, has 25 percent fewer total calories and 50 percent fewer calories from fat than the original version. Milky Way II offers consumers a light choice alongside the 69-year-old original Milky Way bar and other popular candies.

"I think that what you're seeing is that a greater portion of the population is looking to have categories, or products, they like in a reduced calorie format," Ray Gadd, military sales manager with H.J. Heinz special products, told MILITARY MARKET in a telephone interview.

Heinz, which makes the Weight Watchers line of frozen foods, pioneered the development of reduced calorie pizza and lower calorie Mexican foods, Gadd said. The company is now working on a reduced calorie breakfast product such as an English muffin breakfast sandwich.

Reformulation sweeps across product lines. Shoppers now have a choice of soups with less salt, cookies without palm oils, leaner beef products, and jams and jellies sweetened with natural fruit instead of added sugar.

Commissary patrons, knowledgeable about what constitutes a good diet, are reading the ingredient lists on product labels.

"I think we're finding that the commissary shopper now is becoming a much more educated shopper," Bill Pickett, a buyer for the Defense Commissary Agency's Southwest Region, told MILITARY MARKET in an interview.

"They're looking at the packages, looking at the ingredients. Our goal, I think, is to stay abreast of what they can get right outside the gate and keep up with the availability out there.

"If they can get it there, we want to be able to provide that quality of product in our store," Pickett said.

Lou Bailey, another buyer for Southwest commissaries, said he has seen a presentation for a new type of sausage made of chicken — a first-of-a-kind product.

"It was formulated in a process so that you could hardly tell the difference. It was a great product," said Bailey, who has worked 32 years in the meat business.

He noted that the poultry industry has developed several skinless chicken products which contain less fat. The fish business, he added, also "has gone way up" as health conscious Americans search for leaner diets.

The beef industry, noticing the changes in U.S. eating habits, has tried to teach customers more about the health values of red meat. Bailey said the industry "realized that there was a need to educate consumers to the nutritional value of portion meat, and they have done that. Be it pork or beef — they have done that."

Cookie and cracker companies have also worked to reduce the cholesterol levels of their products. Bob Coster, director of special markets for Sunshine Biscuits, said his company played a leading role in reducing or eliminating cholesterol in cookies and crackers, and has replaced palm oil with more healthy ingredients.

"We are constantly working toward developing items that are more healthy," Coster said.

He said Sunshine has introduced items with no salt or low salt and in the past two years has added several new crackers in the whole wheat category.

Because the lifestyle of military personnel tends to require healthier living, Coster said people who shop in commissaries probably are more health conscious than their civilian counterparts. He noted the military services offer weight control programs, and service members are concerned with the fat content of their diets.

Besides noticing the ingredients of a product, shoppers are conscious of calorie intake as well, he told MILITARY MARKET.

"For instance, if you're going to have sweet goods, you're seeing much more of a swing from the traditional sweet cookie toward a healthier cookie. I think in the military you're probably on the leading edge of that — [among] the people who are active duty, an active-duty family, as well as retirees," Coster said.

Shoppers have grown accustomed to diet sodas, decaffeinated drinks, diet frozen dinners and other reformulated foods that offer the option of fewer calories per serving.

Sales among competitive frozen diet dinner lines have risen during the past year. For the 12 months ending in November 1991, commissary sales of frozen diet dinner and entree units rose 9.9 percent, Military Audits of Market Information has reported.

Unit sales of regular frozen entrees were up 6.9 percent over the same period, while regular frozen dinners rose only 0.2 percent, MAMI said.

During a given year, MAMI said, sales of frozen diet dinners and entrees tend to fluctuate more than those of frozen regular dinners and entrees. For instance, sales of diet dinners usually drop in November and December, when people do a lot of holiday meal preparation at home. Diet sales pick up in January and peak in February as people watch their eating after New Year's Day.

In contrast, sales of frozen regular dinners and entrees remain closer to the base line — or standard of the sales index — and don't rise or sink as steeply throughout the year, MAMI said.

TASTE COUNTS

When developing diet and health foods, researchers must keep in mind the all-important taste factor. If the food doesn't taste right, people won't buy it.

Jim Finelli, national military business manager for M&M/Mars, said a lot of companies have wanted to reformulate their products for some time but had to wait until they had the capability to make the taste right. In reformulation, it's important that the new item taste similar to the traditional product.

Finelli said his company is not worried about Milky Way II taking business away from the original version of the Milky Way bar. He said research showed the new product is not expected to steal more than 10 percent of the business from the traditional Milky Way.

In promoting its new product, M&M said more than 100 million adults regularly eat lower calorie foods; half of all adults avoid candy because it's perceived as fattening. According to research, M&M said, the volume of older adults buying a candy bar would double if a lower calorie bar were available.

M&M will begin shipping Milky Way II in April. It should be available that month in Hawaii, Alaska, California, Nevada, Oregon, Washington and Idaho, the company said.

The Hackettstown, N.J., company developed the new product after five years of research, development and testing. M&M says it was able to create the lower calorie candy because of two ingredients: *caprenin*, a newly available fat with five calories per gram rather than the standard nine, and *polydextrose*, a complex carbohydrate used in food production for more than 10 years.

"Together, caprenin and polydextrose help produce a 25 percent reduction in total calories and a 50 percent reduction in calories from fat," the company said in a prepared statement.

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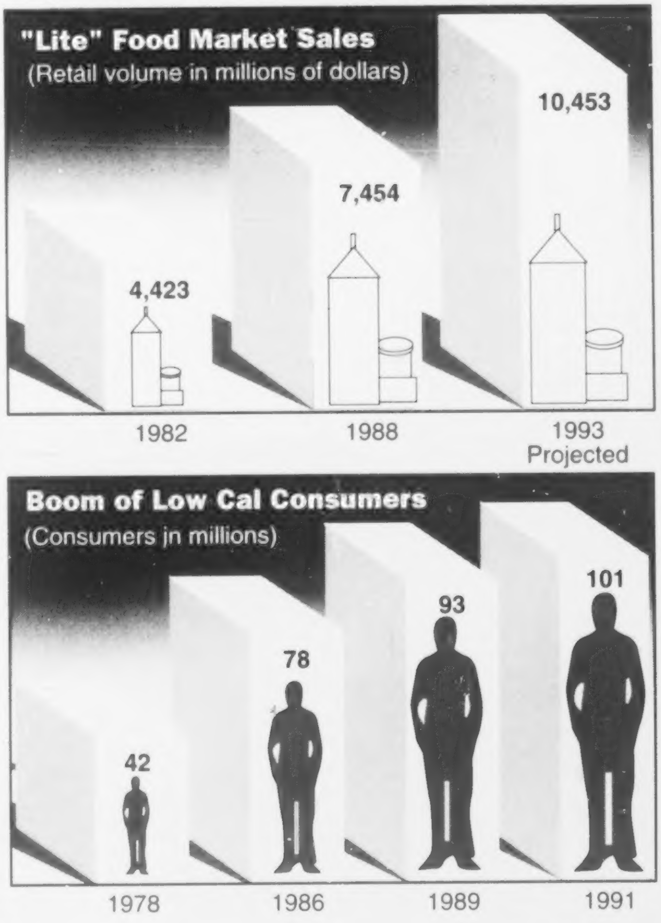

Sources: Calorie Control Council; Packaged Facts

Military Market/ Willis M. Pinkney

The Washington Post gave Milky Way II a favorable review in the newspaper's Jan. 29 food section. The paper's food writers said a simple taste test among 27 newsroom volunteers found that the new candy is tasty and for the most part similar to the original Milky Way in texture, color and smell. Only 10 of the 27 tasters were able to identify both Milky Way and Milky Way II samples correctly.

Bailey, the buyer in DeCA's Southwest Region, said commissaries are seeing more diet and health food products enter the market.

"We've noticed a great deal of interest and increase in the diet-type products that have jumped on the bandwagon, where we have Healthy Choice line come out [with a product], whether it be luncheon meat and bacon or ground beef or whatever. Slim-Fast folks and Weight Watchers and those type folks have done a tremendous job in expanding the dietary-type products," Bailey said.

He said shoppers likely will see more name-brand competition among big companies vying for health-concerned customers.

The dynamics of the diet and health food business have challenged companies to be more creative in manufacturing, said Heinz' Ray Gadd.

For instance, Heinz has tried to enter new categories and expand its list of products, he said, citing such examples as a reduced calorie chicken sandwich and a reduced calorie chocolate eclaire. The company now produces 12 entree items containing 200 or fewer calories, Gadd said.

Shoppers will probably see traditional health foods, such as organic and diet products, expanding beyond the diet food section to other parts of the stores.

DeCA Southwest's Pickett pointed out that commissaries do have health food sections "but a lot of that is being integrated into the rest of the store, into the shelves." For example, commissary workers are stocking low salt soups next to regular soups so shoppers don't have to make two stops for similar items.

Customers may wonder what's in store for the traditional kind of health foods that existed before the arrival of reformulated diet and health food products.

"I think that people don't need to go into those categories that they never really liked to get their nutrition, because the other categories are becoming more healthy," Gadd said.

M&M's Jim Finelli said he thinks traditional health foods will still be found in stores, but the categories won't be expanding.

"I think there will always be a niche market. . . . I don't see it disappearing, but it's not growing," he said. MM

DeCA Planogram ☐ Exchange Roundtable Report

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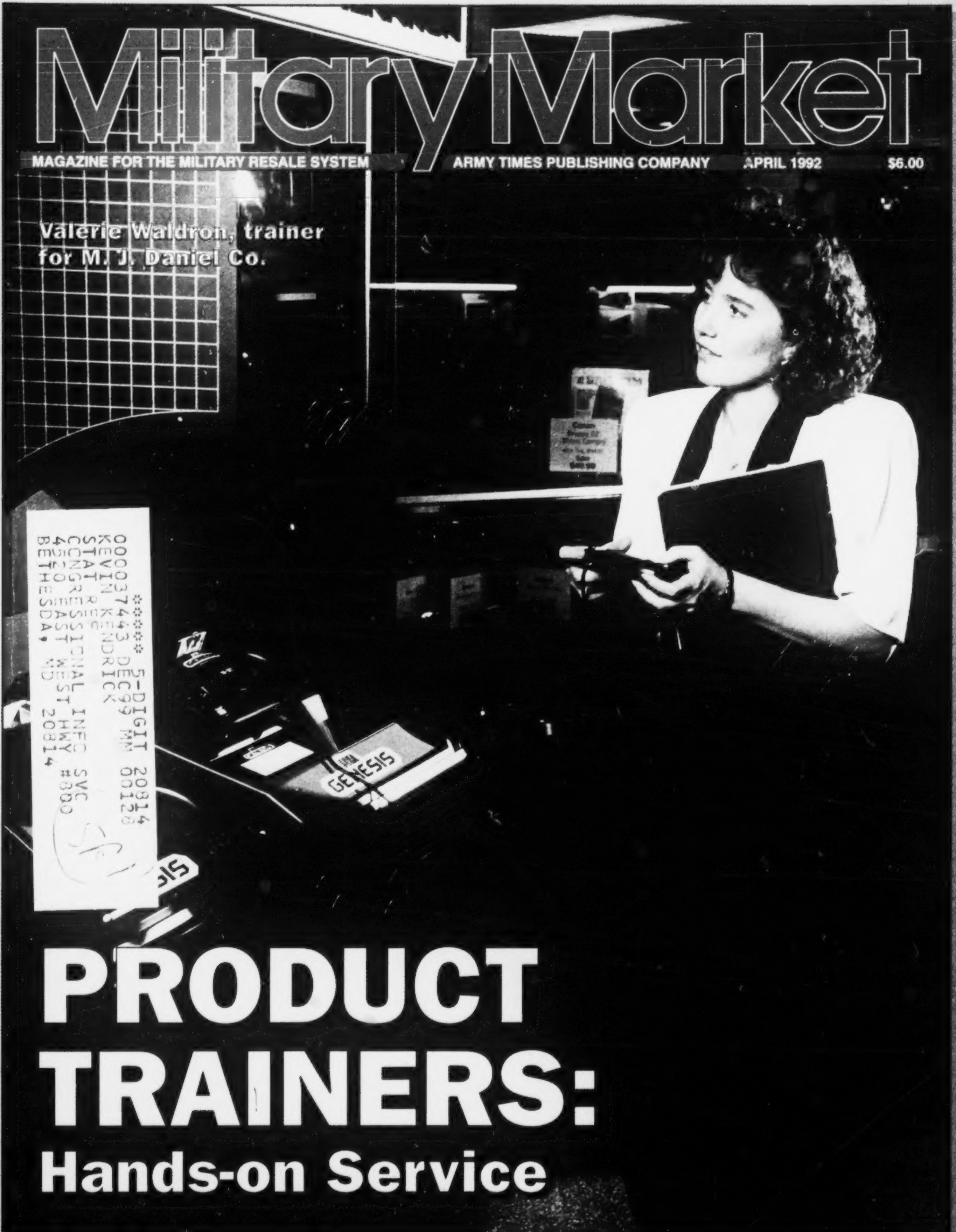

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PRODUCT TRAINERS:

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COMMISSARIES		DECEMBER				YEAR-TO-DATE			
		CY '90	CY '91	PERCENT CHANGE	AVERAGE SALES	CY '90	CY '91	PERCENT CHANGE	STORES
CENTRAL	CONUS	$78.828	$70.498	−10.57	$1.719	$875.88	$818.078	−6.60	41
	OVERSEAS	391	372	−4.88	37?	4.122	3.869	−6.13	1
	TOTAL	**79,219**	**70,870**	**−10.54**	**1,687**	**880,006**	**821,947**	**−6.60**	**42**
MIDWEST	CONUS	88.964	78.932	−11.28	1.879	988.504	923.265	−6.60	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**88,964**	**78,932**	**−11.28**	**1,879**	**988,504**	**988,504**	**−6.60**	**42**
NORTHEAST	CONUS	73.750	65.298	−11.46	1.451	819.454	765.372	−6.60	45
	OVERSEAS	80	77	−3.31	77	839	788	−6.13	1
	TOTAL	**73,830**	**65,375**	**−11.45**	**1,422**	**820,293**	**766,160**	**−6.60**	**46**
SOUTHERN	CONUS	94.594	81.256	−14.10	1.693	1.051.066	981.699	−6.60	48
	OVERSEAS	5.667	6.602	+16.49	1.320	59.727	56.063	−6.13	5
	TOTAL	**100,261**	**87,858**	**−12.37**	**1,658**	**1,110,793**	**1,037,762**	**−6.57**	**53**
SOUTHWEST	CONUS	93.722	83.010	−11.43	1.596	1.041.377	972.649	−6.60	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**93,722**	**83,010**	**−11.43**	**1,596**	**1,041,377**	**972,649**	**−6.60**	**52**
NORTHWEST/ PACIFIC	CONUS	23.171	21.540	−7.04	1.657	257.461	240.469	−6.60	25
	OVERSEAS	44.632	46.440	+4.05	1.080	470.361	441.508	−6.13	31
	TOTAL	**67,803**	**67,980**	**+0.26**	**1,214**	**727,822**	**681,977**	**−6.30**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	60.119	61.056	+1.56	522	**633,581**	594.715	−6.13	117
	TOTAL	**60,119**	**61,056**	**+1.56**	**522**	**633,581**	**633,581**	**−6.13**	**117**
TOTAL COMMISSARIES	CONUS	$453.030	$400.534	-11.59	$1.662	$5.033.745	$4.701.532	-6.60	241
	OVERSEAS	$110.889	$114.547	+3.30	$686	$1.168.631	$1.096.943	-6.13	167
	TOTAL	**$563,919**	**$515,081**	**-8.66**	**$1,262**	**$6,202,376**	**$5,798,475**	**-6.51**	**408**
GROCERY STORES	*U.S. 1*	*$30.448bil.*	*$29.873bil.*	*+2.13*	–	*$339.743bil.*	*$347.229bil.*	*+2.20%*	–

EXCHANGES		DECEMBER			YEAR-TO-DATE		
		CY '90	CY '91	PERCENT CHANGE	CY '90	CY '91	PERCENT CHANGE
AAFES	CONUS	$465.129	$464.100	-0.22	$4.146.163	$4.304.026	+3.81
	OVERSEAS	320.880	289503	-9.78	3.059.391	3.104.123	+1.46
	TOTAL	**786,009**	**753,603**	**-4.21**	**7,205,554**	**7,408,149**	**+2.81**
MAIL ORDER	CONUS	2.353	1.674	-28.86	15.455	18.090	+17.05
	OVERSEAS	4.170	2.805	-32.73	30.832	30.573	-0.84
	TOTAL	**6,523**	**4,479**	**-31.34**	**46,287**	**48,663**	**+5.13**
NAVY	CONUS	170.072	170.321	+0.15	1.387.198	1.414.746	+1.99
	OVERSEAS	74.366	79.128	+6.40	617.282	641.167	+3.87
	TOTAL	**244,438**	**249,449**	**+2.05**	**2,004,480**	**2,055,913**	**+2.57**
MARINES CORPS	CONUS	42.327	45.992	+8.66	389.668	408.896	+4.93
	*OVERSEAS	6.465	8.236	+27.39	47.318	67.512	+42.68
	TOTAL	**48,792**	**54,228**	**+11.14**	**436,986**	**476,408**	+9.02
COAST GUARD	CONUS	10.675	11.966	+12.09	117.319	119.667	+2.00
	OVERSEAS	782	792	+1.28	8.824	9.023	+2.26
	TOTAL	**11,457**	**12,758**	**+11.36**	**126,143**	**128,690**	**+2.02**
ALL EXCHANGES	CONUS	$690.556	$694.053	+051	$6.055.803	$6.265.425	+3.46
	OVERSEAS	$406.663	$380.464	-6.44	$3.763.647	$3.852.647	+2.36
	TOTAL	**$1,097,219**	**$1,074,517**	**-2.07**	**$9,819,450**	**$10,117,823**	**+3.04**
DEPARTMENT STORES	*U.S.*	*$17.533bil.*	*$18.199bil.*	*+3.80*	*$144.541bil.*	*$176.659bil.*	*+3.51%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. *Marine Corps 1990 November overseas figure does not include Camp Butler, Okinawa. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

OVERSEAS “TOP 100” VENDOR LIST

The following is an index of the 100 leading suppliers of brand name goods to overseas commissaries during FY 1991.

The index includes the payments made to name-brand manufacturers as well as the direct payments made to brokers, when those brokers act as principals.

All information was furnished to MILITARY MARKET by the Defense Personnel Support Center.

1 —	Procter & Gamble	$11,456,367
2 —	Philip Morris	9,327,151
3 —	Kraft Inc.	8,661,461
4 —	Calpac Assoc.	4,520,427
5 —	General Foods	4,490,921
6 —	Oscar Mayer	4,490,921
7 —	Campbell Soup	3,307,433
8 —	Tasty Bird	3,128,608
9 —	Reynolds Tobacco	3,003,216
10 —	Nabisco Brands	2,884,825
11 —	Quaker Oats	2,852,872
12 —	Kimberly Clark	2,803,888
13 —	General Mills	2,771,387
14 —	Frito-Lay	2,665,159
15 —	Kellogg	2,553,728
16 —	Brown & Williamson	2,385,561
17 —	Swift-Eckrich	2,268,881
18 —	Hormel	2,107,099
19 —	Del Monte	2,014,384
20 —	Pillsbury	1,982,472
21 —	Conagra Frozen Foods	1,908,749
22 —	Washington Beef	1,903,942
23 —	Hershey Foods	1,878,106
24 —	Lever Bros.	1,876,701
25 —	Planters/Lifesavers	1,769,406
26 —	Johnson & Johnson	1,464,621
27 —	AGS Foods	1,422,552
28 —	Amstar Corp.	1,351,446
29 —	Lipton	1,306,966
30 —	Mars Inc.	1,301,875
31 —	Hunt Wesson Foods	1,287,112
32 —	Coca Cola Co.	1,256,818
33 —	Centre Brands	1,128,615
34 —	Keebler	1,110,642
35 —	Bristol Myers	1,066,670
36 —	Abbott Labs	1,043,421
37 —	Gerber	1,026,513
38 —	Hi Pac Inc.	1,007,027
39 —	Nestle/Hills	980,524
40 —	James River	978,279
41 —	CPC Intl. Inc.	967,465
42 —	Natl. Industries for Blind	940,503
43 —	Amer. Home Products	934,180
44 —	Rich Seapak Corp.	917,120
45 —	Sterling Products	889,348
46 —	Singleton Pkg. Corp.	883,496
47 —	All American Gourmet	871,299
48 —	Scott Paper	860,145
49 —	Bar-S Foods	851,450
50 —	Dial Corp.	844,357
51 —	Continental Baking	843,408
52 —	White Dairy Ice Cream	837,561
53 —	United Foods Inc.	836,250
54 —	Clorox	781,585
55 —	Ragu Foods	773,862
56 —	ITT Gwaltney	758,501
57 —	Colgate Palmolive	753,978
58 —	Conagra Poultry	750,808
59 —	Ralston Purina	733,787
60 —	Clearfield Cheese	731,825
61 —	Starkist Foods	729,105
62 —	VIP Sales Co.	715,846
63 —	Sara Lee Corp.	709,054
64 —	Carnation	702,708
65 —	Bev. Food & Service	694,466
66 —	Monarch Crown	680,962
67 —	Coca Cola Export	680,748
68 —	Rockingham Poultry	677,381
69 —	Stouffer Foods	669,497
70 —	Vlasic Foods	640,879
71 —	S.C. Johnson	606,133
72 —	Ore Ida Foods	579,265
73 —	Gortons Group	554,273
74 —	Seneca Foods	517,294
75 —	Dow Chemical Co.	510,710
76 —	Union Carbide	505,914
77 —	Van Camp Seafood	503,215
78 —	Facciola Meat Co.	500,724
79 —	Ocean Spray	483,549
80 —	Land-O-Lakes	474,374
81 —	Liggett & Myers	458,070
82 —	Reckitt & Colman	455,832
83 —	John Morrell	452,657
84 —	H.J. Heinz	445,776
85 —	Japan Food Corp.	415,552
86 —	Mrs. Smith's Foods	397,682
87 —	J.M. Smucker	395,875
88 —	Sunshine Biscuit	394,545
89 —	Borden Inc.	392,925
90 —	Sargento Cheese Co.	382,359
91 —	Gillette Co.	366,090
92 —	Mennen Co.	365,511
93 —	Curtice Burns Inc.	349,275
94 —	Reynolds Metals	340,756
95 —	Lykes Pasco Pkg. Co.	339,389
96 —	Foodways National	331,573
97 —	Alder Food Distribution	330,217
98 —	Carl Buddig & Co.	327,604
99 —	Mobil Chemical Co.	324,757
100 —	Van Den Bergh Foods	321,111

Market Report

Toiletries & Cosmetics: Luxury as Staple

By Tim Boivin, Associate Editor

Prestige lines powered a surge last year for exchange sales of toiletries and cosmetics.

All three Defense Department exchange systems posted increases in their toiletry and cosmetic sales during FY 1991, according to early figures provided to MILITARY MARKET. The recession, troop drawdowns, and base closures all had little effect on a category that rode the introduction of prestige fragrances to a bullish year.

"In a tight economy where dollars are limited, prestige fragrances are still a very affordable luxury," said Sandi Heppenheim, vice president-international for Calvin Klein. "It is a luxury that provides personal enhancement and gives us time in this hectic world to do something just for ourselves that feels good."

The Marine Corps posted the greatest percentage gain of the three systems — up 13.1 percent to $8.99 million. AAFES is projecting a FY 91 sales increase of 10.5 percent, to almost $188.92 million. And NEXCOM projects sales of $33 million, up 4.8 percent over the previous year.

THE POWER BEHIND THE SURGE

Despite drawdowns, base closings and a myriad of economic woes, the "luxury" of prestige toiletries and cosmetics lines powered increased category sales in each of the three DoD exchange systems.

AAFES
1991 — $188,917,000
1990 — $170,974,000
10.5 percent overall sales increase

NEXCOM
*1991 — $33,000,000**
1990 — $31,484,921
4.8 percent overall sales increase

MARINES
1991 — $7,954,000
1990 — $8,994,022
13.1 percent overall sales increase

* denotes estimate, final 1991 sales figures unavailable

Exchange buyers and fragrance houses together identified several factors besides the introduction of prestige lines as spurring the sales increase for the toiletries and cosmetics category. The hot trends include a movement from synthetic products toward natural products, and more ethnic lines being introduced by mainstream companies.

Anna Ransom, AAFES' senior buyer for health and beauty aids and toiletries and cosmetics, said cosmetic consumers are a fickle breed right now.

"The female of the '90s is young at heart, vibrant, sexy, better-informed, eating better, and exercising more," Ransom said. "She expects innovative quality products with realistic claims that work. Cosmetic companies are concentrating on this trend and are offering more multi-function products."

Ransom told MILITARY MARKET that products addressing these benefits include creams, lotions, lipsticks and makeup with treatment benefits and sun screens. She also said companies are concentrating on introducing nail enamels that wear and shine better and dry faster.

For example, Revlon is offering a Custom Eyes eyeshadow with a built-in shadow base. Almay's Moisture Tint Sports Formula Makeup, claiming to be waterproof, provides sunscreen protection while offering a light, natural cover.

"Multi-function products save time, and that's what the '90s woman is most in need of," said Mary Grace Alfaro, retail services manager in government sales for Revlon.

OBTAINING PRESTIGE LINES

But it is the explosion of prestige lines onto the exchange scene, new in the 90s, that has kept toiletries and cosmetics strong.

In AAFES in 1991, the top five sellers in women's prestige fragrances were Giorgio Red, Eternity, Estee Lauder's Beautiful, Calvin Klein's Obsession, and Red Door. In NEXCOM, they were Giorgio Red, Lauder's Beautiful, Red Door, Eternity, and Lauder's White Linen.

For men's prestige fragrances, the top five in AAFES were Klein's Obsession for Men, Eternity, Drakkar Noir, Polo, and Lagerfeld. In NEXCOM, they were Drakkar Noir, Eternity, Obsession, Polo, and Lagerfeld.

"I think prestige fragrance is doing well in the military because the military customer is just like every other customer in the world; they want to spend their money on the best value and quality their dollars can buy," said Calvin Klein's Heppenheimer.

AAFES' Ransom said her most significant accomplishment of the year was expanding the Estee Lauder and Lancome cosmetics and fragrances into ConUS exchanges, and adding Clinique cosmetics to six overseas stores. The Fragrance Foundation recognized this accomplishment when it made AAFES its Retailer of the Year, giving the agency the 1991 Fifi Award for its efforts in merchandising fragrances.

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■ Juices/Drinks ■ AAFES Million $ Vendors

Military Market

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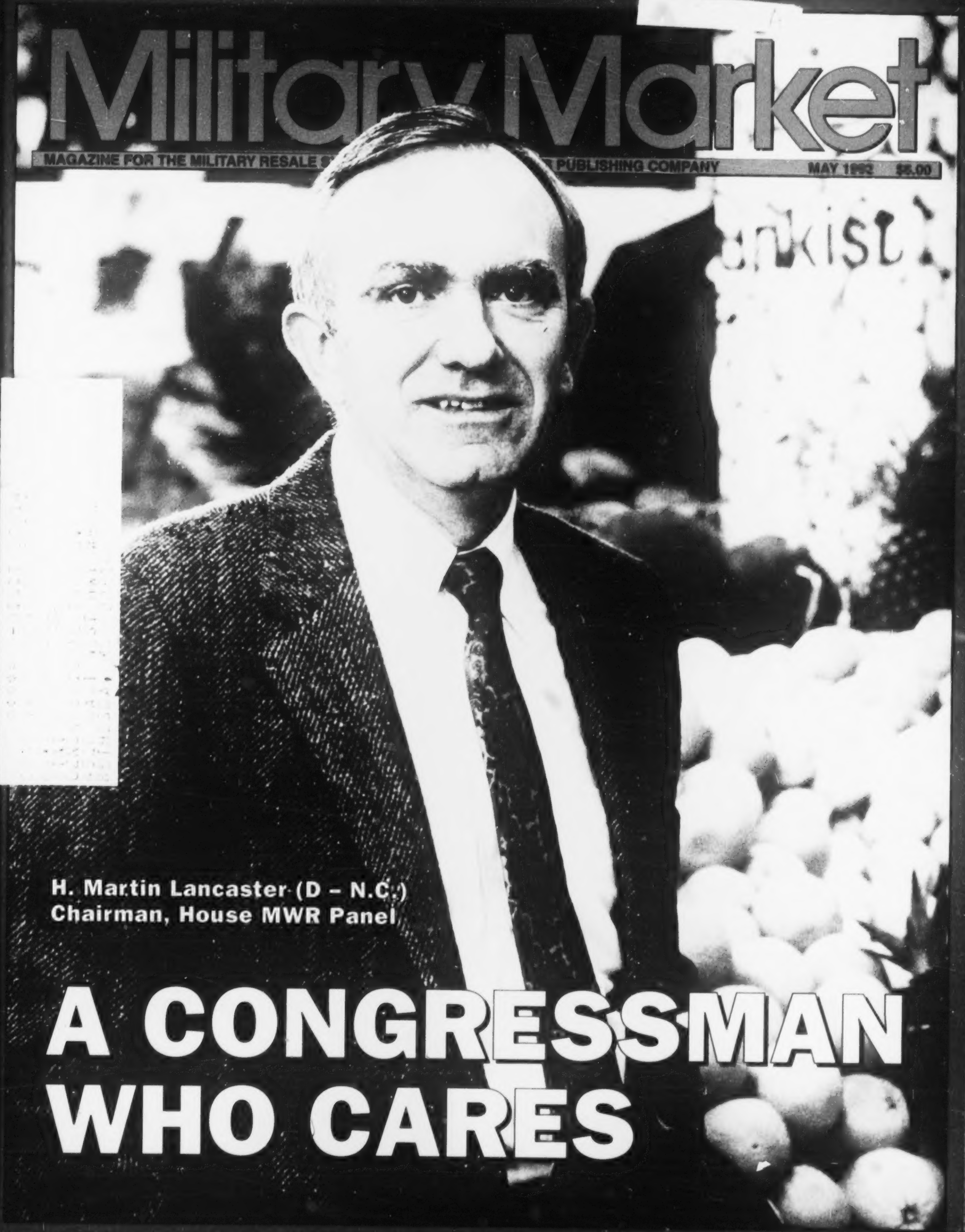

H. Martin Lancaster (D – N.C.)
Chairman, House MWR Panel

A CONGRESSMAN WHO CARES

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Military Market
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Military Market Index

COMMISSARIES		JANUARY				YEAR-TO-DATE			
		CY '91	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$71,138	$69,548	-2.24	$1,696	$71,138	$69,548	-2.24	41
	OVERSEAS	325	360	+10.86	360	325	360	+10.86	1
	TOTAL	**71,463**	**69,908**	**-2.18**	**1,664**	**71,463**	**69,908**	**-2.18**	**42**
MIDWEST	CONUS	80,285	75,909	-5.45	1,807	80,285	75,909	-5.45	42
	OVERSEAS	0	0		0	0	0	–	0
	TOTAL	**80,285**	**75,909**	**-5.45**	**1,807**	**80,285**	**75,909**	**-5.45**	**42**
NORTHEAST	CONUS	66,555	62,544	-6.03	1,390	66,555	62,544	-6.03	45
	OVERSEAS	66	69	+4.35	69	66	69	+4.35	1
	TOTAL	**66,621**	**62,613**	**-6.02**	**1,361**	**66,521**	**62,613**	**-6.02**	**46**
SOUTHERN	CONUS	85,366	81,285	-4.78	1,693	85,366	81,285	-4.78	48
	OVERSEAS	4,706	5,639	+19.83	1,128	4,706	5,639	+19.83	5
	TOTAL	**90,072**	**86,924**	**–3.50**	**1,640**	**90,072**	**86,924**	**-3.50**	**53**
SOUTHWEST	CONUS	84,579	82,684	-2.24	1,590	84,579	82,684	-2.24	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**84,579**	**82,684**	**-2.24**	**1,590**	**84,579**	**82,684**	**-2..24**	**52**
NORTHWEST/ PACIFIC	CONUS	20,911	20,802	-0.52	1,600	20,089	20,802	-0.52	25
	OVERSEAS	37,058	44,434	+19.90	1,033	43,320	44,434	+19.90	31
	TOTAL	**57,969**	**65,236**	**+12.54**	**1,165**	**63,409**	**65,236**	**+12.54**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	49,918	57,129	+14.45	492	**49,918**	57,129	+14.45	117
	TOTAL	**49,918**	**57,129**	**+14.45**	**492**	**49,918**	**57,129**	**+14.45**	**117**
TOTAL COMMISSARIES	CONUS	$408,835	$392,772	-3.93	$1,630	$408,835	$392,772	-3.93	241
	OVERSEAS	$92,073	$107,631	+16.90	$648	$92,073	$107,631	+16.90	167
	TOTAL	**$500,908**	**$500,403**	**-0.10**	**$1,229**	**$500,908**	**$500,403**	**-0.10**	**408**
GROCERY STORES	*U.S. 1*	*$27.676bil.*	*$28.517bil.*	*+3.04%*	–	*$27.676bil.*	*$28.517bil.*	*+2.20%*	–

EXCHANGES		JANUARY			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$311,895	$291,117	-6.66	$311,895	$291,117	-6.66
	OVERSEAS	234,255	215,520	-8.00	234,255	215,520	-8.00
	TOTAL	**546,150**	**506,637**	**-7.23**	**546,150**	**506,637**	**-7.23**
MAIL ORDER	CONUS	1,754	1,000	-42.99	1,754	1,000	-42.99
	OVERSEAS	3,082	1,458	-52.69	3,082	1,458	-52.69
	TOTAL	**4,836**	**2,458**	**-49.17**	**4,836**	**2,458**	**-49.17**
NAVY	CONUS[4]	87,375	90,617	+3.71	87,375	90,617	+3.71
	OVERSEAS[4]	41,871	45,633	+8.98	41,871	45,633	+8.98
	TOTAL[4]	**129,246**	**136,250**	**+5.42**	**129,246**	**136,250**	**+5.42**
MARINES CORPS	CONUS[2]	20,466	29,864	+45.92	20,466	29,864	+45.92
	OVERSEAS[2]	3,713	5,067	+36.47	3,713	5,067	+36.47
	TOTAL[2]	**24,179**	**34,931**	**+44.47**	**24,179**	**34,931**	+44.47
COAST GUARD	CONUS[2]	9,265	10,000	+7.93	9,265	10,000	+7.93
	OVERSEAS[2]	716	750	+4.75	716	750	+4.75
	TOTAL[2]	**9,981**	**10,750**	**+7.70**	**9,981**	**10,750**	**+7.70**
ALL EXCHANGES	CONUS	$430,755	$422,598	-1.89	$430,755	$422,598	-1.89
	OVERSEAS	$283,637	$268,428	-5.36	$283,637	$268,428	-5.36
	TOTAL	**$714,392**	**$691,026**	**-3.27**	**$714,392**	**$691,026**	**-3.27**
DEPARTMENT STORES	*U.S.*[1]	*$10.007bil.*	*$10.577bil.*	*+5.70%*	*$10.007bil.*	*$10.577bil.*	*+5.70%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. For the Northwest/Pacific region, Alaska and Hawaii are listed in this index as overseas stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

CORRECTION: The Military Market Index year-to-date commissary figures for CY '91 were incorrectly reported in the April 1992 issue of MILITARY MARKET MAGAZINE. Those figures failed to include December sales in the running total for CY 1991; hence, the year-to-date figures presented were actually November's figures, as reported in our March issue. The corrected index follows:

COMMISSARIES		**DECEMBER**				**YEAR-TO-DATE**			
		CY '90	**CY '91**	**PERCENT CHANGE**	**AVERAGE SALES**	**CY '90**	**CY '91**	**PERCENT CHANGE**	**STORES**
CENTRAL	CONUS	$78.828	$70.498	−10.57	$1.719	$875.88	$887.772	+1.36	41
	OVERSEAS	391	372	−4.88	372	4.122	4.273	+3.67	1
	TOTAL	**79,219**	**70,870**	**−10.54**	**1,687**	**880,006**	**892,045**	**+1.37**	**42**
MIDWEST	CONUS	88.964	78.932	−11.28	1.879	988.504	1.001.920	+1.36	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**88,964**	**78,932**	**−11.28**	**1,879**	**988,504**	**1,001,920**	**+1.36**	**42**
NORTHEAST	CONUS	73.750	65,298	−11.46	1.451	819.454	830,576	+1.36	45
	OVERSEAS	80	77	−3.31	71	839	870	+3.67	1
	TOTAL	**73,829**	**65,375**	**−11.45**	**1,421**	**820,293**	**831,446**	**+1.36**	**46**
SOUTHERN	CONUS	94,594	81,256	−14.10	1.693	1,051,066	1.065.332	+1.36	48
	OVERSEAS	5,667	6.602	+16.49	1.320	59,727	61,918	+3.67	5
	TOTAL	**100,262**	**87,858**	**−12.37**	**1,658**	**1,110,793**	**1,127,250**	**+1.48**	**53**
SOUTHWEST	CONUS	93.722	83.010	−11.43	1.596	1.041.377	1.055.511	+1.36	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**93,722**	**83,010**	**−11.43**	**1,596**	**1,041,377**	**1,055,511**	**+1.36**	**52**
NORTHWEST/ PACIFIC	CONUS	23,171	21,540	−7.04	1.657	257.461	260.955	+1.36	25
	OVERSEAS	44.632	46,440	+4.05	1.080	470.361	487.612	+3.67	31
	TOTAL	**67,803**	**67,980**	**+0.26**	**1,214**	**727,822**	**748,567**	**+2.85**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	60.119	61.056	+1.56	522	**633,581**	656,818	+3.67	117
	TOTAL	**60,119**	**61,056**	**+1.56**	**522**	**633,581**	**656,818**	**+3.67**	**117**
TOTAL COMMISSARIES	CONUS	$453,030	$400,534	-11.59	$1,662	$5,033,745	$5,102,066	+1.36	241
	OVERSEAS	$110,889	$114,547	+3.30	$686	$1,168,631	$1,211,490	+3.67	167
	TOTAL	**$563,919**	**$515,081**	**-8.66**	**$1,262**	**$6,202,376**	**$6,313,556**	**+1.79**	**408**
GROCERY STORES	*U.S. 1*	***$30.448bil.***	***$29.873bil.***	***-1.89%***	–	***$339.743bil.***	***$347.229bil.***	***+2.20%***	–

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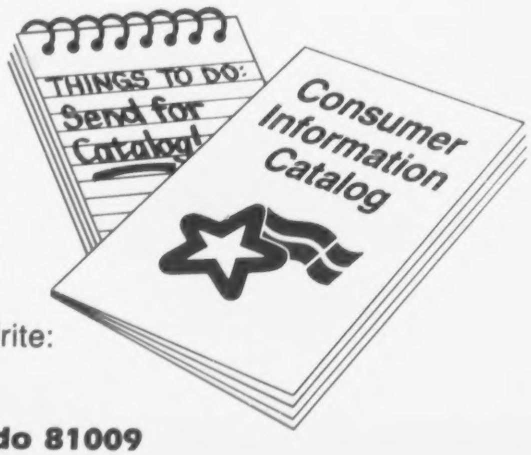

DPSC's Top 100 Brand Name Vendors in FY 91

CORRECTION

This is a *CORRECTION* to the FY 1991 index of 100 top suppliers to overseas commissaries which was published in the April 1992 issue of MILITARY MARKET.

The list published last month, furnished by the Defense Personnel Support Center, was both incorrect and incomplete. DPSC was unable to provide an explanation for the error.

However, DPSC did provide new information shown below, which the agency believes are the correct payments made to brand-name manufacturers, some of whom are listed twice. This data was cross-checked with some of the manufacturers listed, some of whom said that the numbers sounded correct to them. Others said the figures appear to be incomplete. DPSC could provide no explanation for the discrepancies.

1 —	Procter & Gamble	$44,070,502
2 —	Philip Morris	33,143,370
3 —	Kraft Inc.	32,861,207
4 —	General Mills	16,598,635
5 —	California Pacific	16,534,411
6 —	General Foods	15,882,550
7 —	Nabisco Inc.	14,714,547
8 —	Tyson Foods	13,998,807
9 —	Campbell Soup	13,681,704
10 —	Oscar Mayer	13,509,661
11 —	Swift-Eckrich	12,029,296
12 —	Frito-Lay	11,836,572
13 —	Quaker Oats	11,611,419
14 —	Kellogg	11,454,787
15 —	Pillsbury	9,353,377
16 —	Del Monte	9,275,728
17 —	Nestle Food	8,476,155
18 —	Kimberly-Clark	8,449,733
19 —	Hunt-Wesson	8,333,792
20 —	George A. Hormel Co.	7,682,847
21 —	Lever Bros.	7,615,719
22 —	Mars Inc.	7,557,428
23 —	Planters Lifesavers	7,001,338
24 —	Hershey Foods	6,515,719
25 —	Keebler	6,419,658
26 —	Best Foods	6,177,955
27 —	Coca Cola Foods	5,953,698
28 —	Brown & Williamson	5,944,450
29 —	Johnson & Johnson	5,701,863
30 —	General Foods	5,263,910
31 —	Lipton Inc.	5,219,188
32 —	ConAgra Frozen Foods	5,190,188
33 —	R.J. Reynolds Tobacco	5,180,144
34 —	Pet Inc.	5,055,903
35 —	James River Corp.	4,761,498
36 —	Colgate Palmolive Co.	4,654,934
37 —	Ralston Purina	4,528,347
38 —	Scott Paper Co.	4,516,940
39 —	American Home Products	4,409,219
40 —	Gwaltney Inc.	4,226,351
41 —	Dial Corp.	4,174,488
42 —	Clorox	4,138,542
43 —	Reckitt & Colman	4,110,457
44 —	Wampler Longacre	3,837,852
45 —	McCormick & Co.	3,821,864
46 —	H.J. Heinz USA Inc.	3,743,483
47 —	Washington Beef	3,669,859
48 —	Coca Cola Export	3,557,539
49 —	White Dairy Co.	3,539,578
50 —	Int'l. Multi Foods	3,500,191
51 —	Nat'l. Industries for Blind	$3,496,729
52 —	Ore-Ida Foods	3,408,348
53 —	Gerber Products	3,393,868
54 —	Bar-S Foods	3,383,130
55 —	Ross Labs/Abbott	3,354,377
56 —	Rich-Seapak Corp.	3,341,729
57 —	All American Gourmet	3,210,069
58 —	Monarch Crown Corp.	3,200,589
59 —	Stouffer Foods Corp.	3,180,391
60 —	SC Johnson & Son Inc.	3,160,341
61 —	Continental Baking	3,158,198
62 —	Domino Sugar Corp.	3,149,918
63 —	Singleton Seafood Co.	3,014,062
64 —	ConAgra Turkey Co.	2,964,573
65 —	Vlasic Foods Inc.	2,931,103
66 —	Beverages Food & Svcs.	2,875,531
67 —	Ragu Foods Inc.	2,859,816
68 —	Ocean Spray Inc.	2,842,744
69 —	Cheseborough Ponds Inc.	2,687,322
70 —	Nestle Beverage Co.	2,589,881
71 —	Japan Food Corp.	2,559,283
72 —	Mead Johnson Nutritional	2,539,692
73 —	Starkist Seafood Co.	2,513,217
74 —	Kitchens of Sara Lee	2,500,393
75 —	AGS Foods Inc.	2,422,345
76 —	Seneca Foods Corp.	2,417,783
77 —	Borden Inc.	2,407,256
78 —	Gillette Co.	2,256,149
79 —	Land O Lakes Inc.	2,241,497
80 —	Tropicana Sales Inc.	2,180,036
81 —	Gorton's of Gloucester	2,112,106
82 —	Nestle Foods Corp.	2,033,571
83 —	Van Camp Seafood Co.	2,030,315
84 —	VIP Sales Co. Inc.	2,015,499
85 —	Sunshine Biscuits Inc.	1,995,158
86 —	Warner-Lambert Co.	1,928,634
87 —	Schreiber Foods	1,919,555
88 —	Dowbrands Inc.	1,913,993
89 —	Foodways Nat'l. Inc.	1,864,717
90 —	Mrs. Smith's Pie Co.	1,859,985
91 —	Mobil Chemical Co.	1,762,471
92 —	Tree Top Inc.	1,741,242
93 —	United Foods Inc.	1,694,561
94 —	Farmer's Rice Co-op.	1,692,444
95 —	John Morrell & Co. Inc	1,683,849
96 —	Sun Diamond Growers	1,647,706
97 —	L&F Household Products	1,582,820
98 —	Rich Products Corp.	1,535,128
99 —	Hoffman Bros. Pkg. Co.	1,498,093
100 —	Rice Growers of Calif.	1,492,181

AAFES MILLION DOLLAR VENDORS

This listing shows that 758 suppliers did at least $1 million in worldwide business with the Army and Air Force Exchange Service during the last fiscal year, which ended in January 1992. This compares with 769 suppliers who did that amount of business during the previous fiscal year.

AAFES provided this data to MILITARY MARKET on a computer disk.

It is important to note that, in some cases, payments to the same parent corporation are listed in several places. These firms have divisions which operate under several different AAFES vendor identification numbers.

Companies are shown in decending order of their worldwide net dollar volume.

The Army Times Publishing Company, the parent firm of MILITARY MARKET MAGAZINE, is again listed on the AAFES Million Dollar Vendor list. The privately-held company sells both newspapers and newspaper advertising to AAFES. This year, the company ranked as number 311 on the list, with $2,721,152.10 in sales to AAFES.

The Navy Exchange Service Command is working on its own version of this list, which will be published in a future issue.

Rank	**Company**	**WW Net Payment**
1	Defense Personnel	$194,512,101.39
2	Philip Morris	46,792,865.19
3	Amerada Hess	38,679,097.57
4	Levi Strauss	36,695,502.58
5	Eastman Kodak	34,374,331.65
6	Conoco	33,726,648.18
7	Distron Dist Ctr	33,699,715.67
8	Packard Bell	31,272,199.90
9	GE Publications	30,623,173.50
10	Sony Corp of America	30,302,781.70
11	WEA Corp	29,699,718.57
12	Procter & Gamble Dist	27,665,819.38
13	Frito Lay	26,023,694.63
14	JVC Co of America	25,343,829.53
15	Exxon Co USA	23,620,797.05
16	Plus Mark	23,584,568.54
17	Anheuser-Busch	22,669,404.38
18	RJ Reynolds Tobacco	22,165,139.96
19	Nintendo of America	21,833,378.59
20	Estee Lauder Intl	21,782,780.05
21	Mansfield Oil	20,987,670.03
22	Thomson Cons Elec	20,794,826.81
23	Nike	19,890,270.41
24	Coca-Cola Export	19,179,090.05
25	UNI Distributing	18,845,746.86
26	Revlon	18,007,631.83
27	Beverages Foods & Svc	17,905,716.91
28	Gasco Gasoline	17,253,682.48
29	Liz Claiborne	16,421,733.38
30	Truman Arnold	16,222,090.91
31	Johnson & Johnson	16,106,671.29
32	Zenith Electronics	15,752,453.89
33	Sony Music Ent	15,480,869.78
34	Softkat	15,262,055.10
35	Bose Corp	$15,120,348.43
36	Co Jo Sports Ltd	14,841,572.06
37	BP Oil	14,802,524.59
38	Cema Distribution	14,664,083.53
39	Braun	14,526,277.04
40	Hallmark Cards	14,504,997.45
41	Jos E Seagram & Sons	14,129,029.32
42	M&M Mars	13,963,396.52
43	Jockey Intl	13,928,954.30
44	Shell Oil	13,497,054.19
45	AT&T	13,476,332.40
46	Rubbermaid	13,299,776.74
47	Brown & Williamson	13,107,860.25
48	Murray Ohio Mfg	12,759,992.91
49	United States Tobacco	12,753,428.97
50	Jostens	12,643,997.64
51	Kenwood Electronics	12,633,739.71
52	Panasonic Co West Gr	12,533,316.68
54	Nabisco Brands	12,477,633.19
55	Hawaiian Indep Refinery	12,411,818.05
56	Buena Vista Home Video	12,409,014.36
57	Brigade Brands Ltd	11,889,392.40
58	Black & Decker (US)	11,640,619.79
59	Louis Dreyfus Energy	11,602,101.24
60	C Lloyd Johnson	11,500,321.29
61	Onyx Petroleum	11,378,246.50
62	M Fabrikant & Sons	11,267,513.68
63	Diamond Shamrock	11,105,876.94
64	Huffy Corp	10,861,637.14
65	Mattel Toys	10,734,514.60
66	Goodyear Intl Corp	10,636,529.69
67	Jim Beam Brands	10,285,034.96
68	Calvin Klein	10,180,553.11
69	Monarch Crown Corp	10,130,548.49
70	Sysco Food Services	9,948,472.10
71	Hanes Hosiery	$9,905,517.40
72	Polaroid Corp	9,715,997.49
73	Hanes Underwear	9,602,507.14
74	Cannon Mills	9,439,475.80
75	Texaco	9,374,053.12
76	Sharp Electronics	9,360,281.90
77	Hoover	9,162,931.92
78	RCA/BMG	9,115,437.34
79	Springs Industries	9,093,007.23
80	Weintraub Bros	9,042,374.94
81	Liz Claiborne Access	9,018,544 00
82	Hershey Chocolate	8,921,397.37
83	IBM	8,903,553.72
84	Elizabeth Arden	8,869,430.05
85	Eveready Battery	8,865,840.53
86	MTMCEA Headquarters	8,849,614.90
87	Miller Brewing	8,754,838.65
88	Polygram Dist	8,744,088.57
89	Quebecor Printing	8,644,632.07
90	Pioneer Electronics	8,402,635.39
91	Acme Boot	8,277,630.22
92	Ira Green	8,176,901.97
93	Lorillard Tobacco	8,133,487.81
94	Nabisco Brands	8,110,681.44
95	Michelin Tire Corp	8,075,096.73
96	Whirlpool	8,062,503.80
97	John K Kealy	7,941,194.80
98	Haggar Apparel	7,626,590.19
99	Baskin Robbins	7,467,609.21
100	Bacardi Imports	7,457,470.62
101	Sysco Food Systems	7,388,150.28
102	Annedeen/Reebok	7,328,008.06
103	Coopers & Lybrand	7,273,982.00
104	Liggett & Myers Tob	7,272,689.69
105	Cove Shoe	7,269,586.39

106 - Stuart Hall	$7,241,776.39
107 - Oshkosh B'Gosh	7,150,553.44
108 - Leading Technology	7,134,579.67
109 - Forstmann & Co	7,098,229.29
110 - Kimberly Clark	7,085,048.99
111 - ARA Services	7,061,056.54
112 - Minnesota Mining Mfg	7,011,994.91
113 - Samsonite Furniture	6,986,677.84
114 - Military & Spec Markets	6,972,854.21
115 - Kraft	6,935,492.87
116 - Tesoro Ref & Mktng	6,824,773.84
117 - Triwell Marketing	6,807,859.60
118 - Kraft Inc Retail	6,806,229.86
119 - E&J Gallo Winery	6,716,874.11
120 - BASF Systems	6,656,072.57
121 - Sinclair Oil	6,623,761.13
122 - Berkline Corp	6,621,405.51
123 - Quaker Oats	6,527,069.53
124 - Heublein	6,516,898.98
125 - Chevron Chemical	6,505,346.90
126 - Casio	6,428,933.15
127 - Cenex/LOL AG Services	6,351,018.39
128 - Vanguard Mil Equip	6,339,517.07
129 - Timex	6,332,565.75
130 - Corning	6,182,698.03
131 - Manhattan Store	6,175,983.73
132 - L'Oreal	6,134,131.57
133 - Fisher Price Toys	6,115,966.30
134 - Playtex Apparel	5,979,293.82
135 - Maidenform Intl Ltd	5,890,457.93
136 - Con Agra Flour Milling	5,814,267.40
137 - LA Gear	5,785,874.82
138 - Elizabeth Arden	5,737,420.26
139 - Intercraft Ind	5,709,066.94
140 - Serta Mattress	5,708,826.32
141 - Ralph Lauren Fragrance	5,692,061.50
142 - Esprit de Corp	5,615,682.84
143 - First Brands	5,610,746.73
144 - Russell Corp	5,573,116.64
145 - Jantzen	5,530,909.52
146 - Amer Tobacco	5,506,764.73
147 - Hitachi Sales Amer	5,468,485.82
148 - London Fog	5,458,159.12
149 - Danskin Pro	5,448,150.35
150 - NS Meyer	5,350,882.50
151 - Thomasville Furn Ind	5,345,445.50
152 - Freeman Shoe	5,307,501.21
153 - Gucci America	5,302,749.38
154 - Dr Pepper Bev Sales	5,292,881.92
155 - Smithkline Beecham	5,264,294.28
156 - Samsung Electronics	5,209,386.22
157 - Minolta	5,207,747.94
158 - Geo A Hormel	5,205,887.47
159 - Hiram Walker	5,200,318.03
160 - Johnson Controls	5,199,332.70
161 - Kellogg Sales	5,162,221.79
162 - H Cotler	5,122,335.27
163 - Wolverine World Wide	5,056,336.05
164 - Richardson Vicks	5,005,436.28
165 - Roadmaster	4,963,710.63
166 - Gerber Products	4,957,289.72
167 - Tyson Foods	4,957,271.81
168 - Goody Products	4,932,906.57
169 - Parfums Intl	4,932,737.42
170 - Alabama Coca Cola Btlg	4,896,211.97
171 - Lighthouse Ind For Bld	4,861,585.65
172 - Weider Health & Fitness	4,853,083.92
173 - Alabama Alc Bev Cont Bd	4,846,037.61
174 - Fieldcrest Cannon	4,843,336.36
175 - Starter Sportswear	4,789,223.40
176 - Ms Distributing	4,774,727.02
177 - Smith Corona	4,760,028.54
178 - Generra Sportswr	$4,702,914.49
179 - Chesebrough Ponds USA	4,675,371.91
180 - US Shoe Corp	4,674,013.75
181 - Allied-Sysco Food	4,670,477.36
182 - Tropicana Products	4,646,516.99
183 - Coleman	4,617,332.38
184 - Oscar Mayer Foods	4,594,088.38
185 - Dell Marketing	4,587,735.09
186 - Sunbeam Leisure Prod	4,575,440.81
187 - Curtiss-Manes Const	4,494,772.19
188 - Little Tikes	4,492,885.15
189 - Volvo GM Heavy Truck	4,479,248.64
190 - NCR	4,446,006.55
191 - Canon USA	4,438,547.16
192 - Poulan/Weed Eater	4,434,257.41
193 - Hasbro	4,433,012.44
194 - Phillips Consumer	4,432,722.05
195 - Paramount Home Video	4,429,284.43
196 - General Foods	4,445,846.66
197 - Sunbeam-Oster Serv Dept	4,381,397.83
198 - Aiwa America	4,336,477.49
199 - Playskool	4,275,215.44
200 - Toastmaster	4,193,330.99
201 - Continental Baking	4,192,412.24
202 - General Services Admin	4,184,631.90
203 - Nestle Specialty Foods	4,158,515.27
204 - Qualex Corp	4,125,856.32
205 - Milton Bradley	4,103,423.70
206 - Carnation	4,063,720.56
207 - Davis Clothing	4,028,161.06
208 - Proctor Silex	3,998,750.29
209 - Pepsi Cola West	3,989,704.17
210 - SC Johnson & Son	3,983,754.83
211 - Robert Tabakow	3,956,862.33
212 - Pennzoil Products	3,950,187.08
213 - Jones Operations/Maint	3,929,988.45
214 - Schering Plough	3,926,142.00
215 - Keebler	3,913,272.98
216 - Armour Dairy Food Oils	3,895,120.00
217 - Gitano	3,867,043.97
218 - EJ Brach	3,856,924.54
219 - Maurice Sporting Goods	3,844,442.44
220 - Henry I Siegel	3,838,401.28
221 - Tesoro-Alaska Petro	3,831,881.47
222 - Bonaventure Textiles	3,768,265.73
223 - Audiovox Corp	3,757,214.84
224 - Peter & Rangel Const	3,753,939.22
225 - Almet/Lawnlite	3,750,621.87
226 - Monet Jewelers	3,740,245.12
227 - RCA/Columbia Pictures	3,740,025.22
228 - Mobil Oil Credit	3,738,750.09
229 - Franklin Chairs	3,734,574.65
230 - Swift Eckrich	3,670,358.64
231 - Western Petroleum	3,639,931.57
232 - Armour Dairy	3,629,474.40
233 - Schieffelin & Somerset	3,615,103.01
234 - Pillowtex Corp	3,591,806.92
235 - Colgate Palmolive	3,586,800.08
236 - Brigade Quartermasters	3,576,572.81
237 - Cadbury Bev	3,571,310.63
238 - Coastal Oil NY	3,570,871.61
239 - Amdahl	3,565,194.00
240 - Kiwi Brands	3,542,105.80
241 - State of Wash	3,521,415.04
242 - Seven-UP Ent	3,507,636.13
243 - Mirro/Foley	3,507,457.60
244 - MJ Soffe	3,490,491.90
245 - Remington Products	3,488,701.02
246 - Leslie Fay Sales	3,488,516.45
247 - Martin Mfg	3,478,616.48
248 - Etonic	3,474,524.39
249 - Curtice Burns Meat Snks	3,434,193.41
250 - Black Hills Jewelry	$3,371,072.26
251 - Lancome	3,370,614.21
252 - Parker Bros	3,368,877.22
253 - Burma-Bibas	3,331,694.79
254 - Bali Co	3,331,519.40
255 - I Ski Skiglasses	3,325,383.65
256 - Bausch & Lomb	3,238,478.09
257 - Quaker State Corp	3,234,509.66
258 - Rubbermaid Speciality	3,233,051.15
259 - Infinity Systems	3,227,164.87
260 - Campbell Soup	3,212,689.75
261 - Mapco Alaska Petro	3,207,576.78
262 - Zojirushi America	3,195,011.15
263 - Oroamerica	3,172,593.86
264 - William Carter	3,171,147.22
265 - Valspar	3,134,985.30
266 - Swarovski Amer Ltd	3,115,251.17
267 - Thompson Medical	3,106,349.31
268 - Brown Shoe	3,083,101.66
269 - Proform Fitness	3,082,109.71
270 - Dexter Shoe	3,081,130.02
271 - Chaus	3,073,946.61
272 - Castrol	3,070,376.79
273 - Airway Ind	3,059,233.34
274 - 'California Trends	3,055,573.45
275 - Nobel-Sysco Food Svc	3,051,863.56
276 - Lever Bros	3,029,292.30
277 - Fashion Fair Cosmet	3,021,533.58
278 - Star Micronics	3,019,129.81
279 - Leaf Inc	3,017,111.15
280 - The Stroh Brewery	3,013,680.54
281 - Pan American DIA	3,009,263.26
282 - Harry Sugerman	3,008,345.27
283 - 1928 Jewelry Co	3,005,631.89
284 - Texas Instruments	3,005,217.11
285 - Bausch & Lomb	2,973,652.80
286 - Helene Curtis Ind	2,973,106.75
287 - Tempo Ind	2,954,723.51
288 - Arrow Co	2,952,597.56
289 - Parts House	2,939,950.29
290 - Liz Claiborne	2,928,786.42
291 - Wilson Sporting Goods	2,920,727.02
292 - New Balance Athl	2,916,566.77
293 - Members Only	2,913,429.09
294 - Aris Isotoner	2,910,182.21
295 - Denmark Military	2,896,323.22
296 - Action Industries	2,892,534.41
297 - Wemco	2,875,216.68
298 - Block Distributing	2,869,163.75
299 - Mag Instrument	2,863,498.78
300 - London Star Ltd	2,860,252.79
301 - Hygiene Ind	2,846,532.69
302 - Diners Club	2,818,678.11
303 - Oster Div of Sunbeam	2,816,410.65
304 - Cosco	2,798,849.84
305 - Pendleton Woolen Mills	2,780,939.05
306 - Carter-Wallace	2,779,706.02
307 - Lenox Inc	2,774,848.54
308 - Deena Lingerie	2,770,919.22
309 - Ekco Housewares CO	2,751,146.31
310 - Gulf Printing	2,737,470.31
311 - Army Times Publ	2,721,152.10
312 - Rival Mfg	2,704,396.34
313 - Moore Business	2,701,839.68
314 - Oneida Ltd	2,696,711.03
315 - The Mennen Co	2,694,693.10
316 - Solo Cup	2,687,770.43
317 - Leslie Fay	2,686,180.09
318 - Riverside Furniture	2,678,652.19
319 - Farah USA	2,674,591.50
320 - Goebel	2,664,216.39
321 - Max Factor-Puerto Rico	2,661,652.29

AAFES MILLION DOLLAR VENDORS

322 - The Rockport Co	$2,647,417.95
323 - Whitehall Labs	2,626,829.81
324 - Adolph Coors	2,620,852.53
325 - Bush Ind	2,613,832.07
326 - Union Bay Sptswr	2,613,014.37
327 - Brown Forman	2,609,680.37
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■ NEXCOM Million Dollar Vendors

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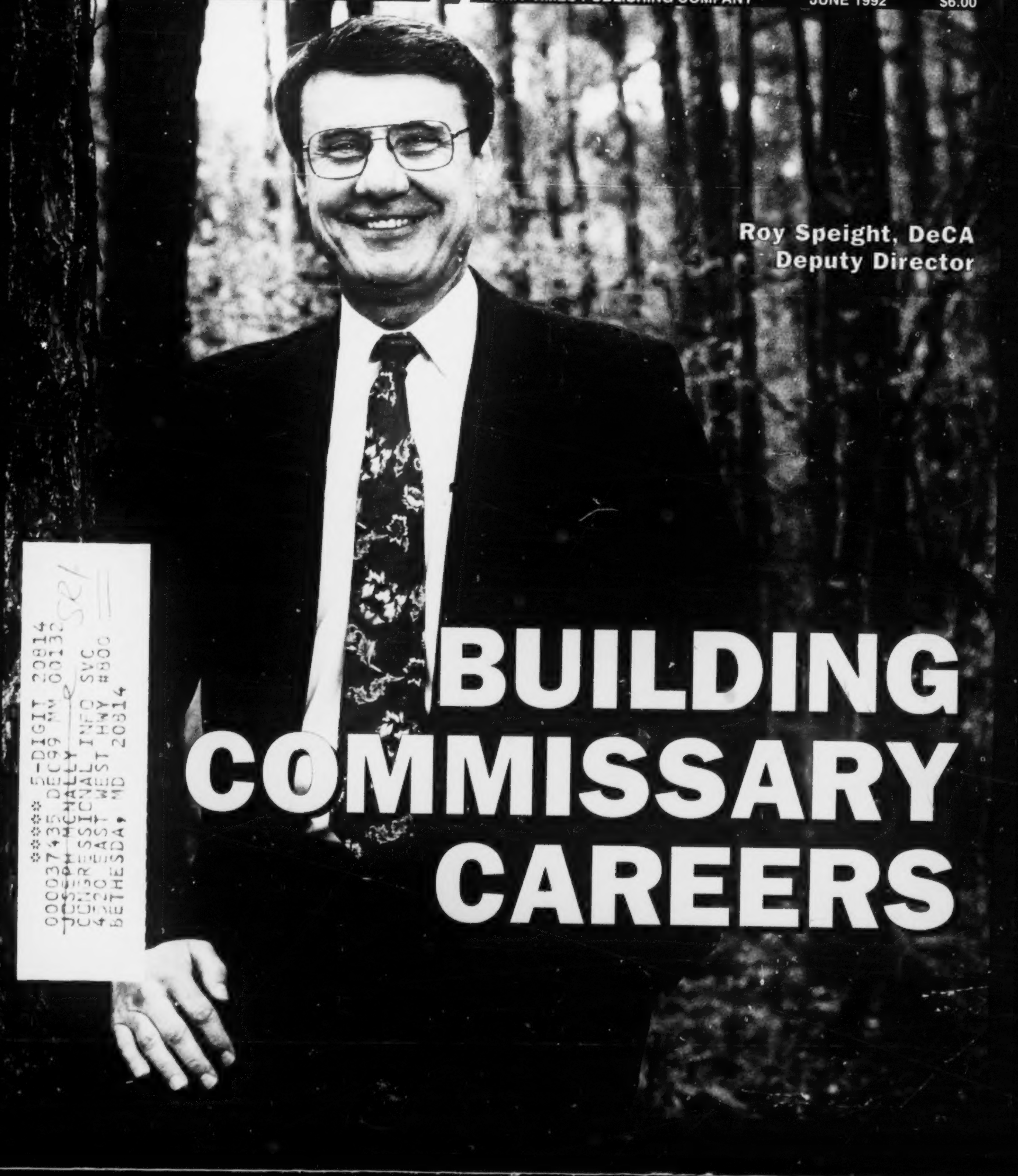

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Deputy Director

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COMMISSARIES		FEBRUARY				YEAR-TO-DATE			
		CY '91[2]	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91[2]	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$67,760	$72,335	+6.75	$1,764	$138,899	$145,360	+4.65	41
	OVERSEAS	312	377	+20.87	377	637	755	+18.59	1
	TOTAL	**68,072**	**72,711**	**+6.82**	**1,731**	**139,535**	**146,115**	**+4.72**	**42**
MIDWEST	CONUS	76,473	78,230	+2.30	1,863	156,758	157,935	+0.75	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**76,473**	**78,230**	**+2.30**	**1,863**	**156,758**	**157,935**	**+0.75**	**42**
NORTHEAST	CONUS	63,395	64,483	+1.72	1,433	129,950	130,154	+0.16	45
	OVERSEAS	64	75	+17.39	75	130	147	+13.40	1
	TOTAL	**63,458**	**64,557**	**+1.73**	**1,403**	**130,080**	**130,301**	**0.17**	**46**
SOUTHERN	CONUS	81,313	83,574	+2.78	1,741	166,679	168,923	+1.35	48
	OVERSEAS	4,519	6,014	+33.08	1,203	9,225	11,935	+29.38	5
	TOTAL	**85,832**	**89,588**	**+4.38**	**1,690**	**175,904**	**180,858**	**+2.82**	**53**
SOUTHWEST	CONUS	80,563	85,169	+5.72	1,638	165,143	171,987	+4.14	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**80,563**	**85,169**	**+5.72**	**1,638**	**165,143**	**171,987**	**+4.14**	**52**
NORTHWEST/ PACIFIC	CONUS	19,918	21,729	+9.09	1,671	40,828	43,571	+6.72	13
	OVERSEAS	35,592	45,991	+29.22	1,070	72,650	92,647	+27.52	43
	TOTAL	**55,509**	**67,720**	**+22.00**	**1,209**	**113,479**	**136,218**	+20.04	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	47,942	57,896	+20.76	499	97,860	117,881	+20.46	116
	TOTAL	**47,942**	**57,896**	**+20.76**	**499**	**97,860**	**117,881**	**+20.46**	**116**
TOTAL COMMISSARIES	CONUS	$389,422	$405,518	+4.13	$1,683	$798,257	$817,929	+2.46	241
	OVERSEAS	$88,429	$110,353	+24.79	$665	$180,502	$223,365	+23.75	166
	TOTAL	**$477,851**	**$515,871**	+7.96	**$1,267**	**$978,759**	**$1,041,294**	**+6.39**	**407**
GROCERY STORES	***U.S. 1***	***$25.658bil.***	***$27.380bil.***	***+6.71%***	–	***$53.334bil.***	***$55.897bil.***	***+4.81%***	–

EXCHANGES		FEBRUARY			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$311,523	$319,431	+2.54	$623,419	$610,548	-2.06
	OVERSEAS	243,965	229,056	-6.11	478,419	444,576	-7.04
	TOTAL	**555,488**	**548,487**	**-1.26**	**1,101,639**	**1,055,124**	**-4.22**
MAIL ORDER	CONUS	1,541	1,327	-13.89	3,295	2,327	-29.38
	OVERSEAS	3,793	2,225	-41.34	6,875	3,683	-46.43
	TOTAL[3]	**5,334**	**3,552**	**-33.41**	**10,170**	**6,010**	**-40.90**
NAVY	CONUS[4]	98,955	102,802	+3.89	186,330	193,419	+3.80
	OVERSEAS[4]	42,782	49,107	+14.107	84,653	94,740	+11.92
	TOTAL[4]	**141,737**	**151,909**	**+7.18**	**270,983**	**288,159**	**+6.34**
MARINES CORPS	CONUS[2]	28,292	32,661	+15.44	48,759	56,177	+15.21
	OVERSEAS[2]	3,959	5,296	+33.77	7,673	9,861	+28.52
	TOTAL[2]	**32,251**	**37,957**	**+17.69**	**56,432**	**66,038**	+17.02
COAST GUARD	CONUS[2]	9,418	10,000	+6.18	18,683	20,000	+7.05
	OVERSEAS[2]	724	750	+3.59	1,440	1,500	+4.17
	TOTAL[2]	**10,142**	**10,750**	**+5.99**	**20,123**	**21,500**	**+6.84**
ALL EXCHANGES	CONUS	$449,729	$466,221	+3.67	$880,486	$882,471	+0.23
	OVERSEAS	$295 223	$286,434	-2.98	$578,861	$554,360	-4.23
	TOTAL	**$744,952**	**$752,655**	**+1.03**	**$1,459,347**	**$1,436,831**	**-1.54**
DEPARTMENT STORES	***U.S.***[1]	***$10.504bil.***	***$12.017bil.***	***+14.40%***	***$20.511bil.***	***$22.594bil.***	***+10.16%***

Note: Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. For the Northwest/Pacific region, Alaska and Hawaii are listed in this index as overseas stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

Navy Exchanges, FY '91 Sales Rankings (January 28, 1991 – January 27, 1992)

	BASE	***SALES***
1	Pearl Harbor NB, Hawaii	$106,664,872
2	San Diego NS, Calif.	105,170,888
3	Norfolk NB, Va.	78,317,627
4	Guam NS, Guam	74,028,886
5	Miramar NAS, Calif.	66,480,129
6	Orlando NTC, Fla.	63,841,360
7	Yokosuka FA, Japan	58,350,090
8	Jacksonville NAS, Fla.	47,313,824
9	Subic Bay NS, Philippines	46,828,301
10	Great Lakes NTC, Ill.	45,545,886
11	Pensacola NAS, Fla.	45,277,125
12	Rota NS, Spain	41,039,497
13	Little Creek NAB, Va.	38,681,596
14	New London/Groton NSB, Conn.	37,190,051
15	Memphis NAS, Tenn.	37,120,397
16	Long Beach NS, Calif.	37,071,774
17	Roosevelt Roads NS, P.R.	36,859,612
18	Naples NSA, Italy	34,143,585
19	Alameda NAS, Calif.	30,770,477
20	North Island NAS, Calif.	30,288,028
21	San Diego NTC, Calif.	29,293,790
22	Moffett Field NAS, Calif.	28,848,460
23	Whidbey Island NAS, Wash.	28,691,015
24	Barbers Point NAS, Hawaii	26,897,312
25	Port Hueneme NCBC, Calif.	24,652,342
26	Sigonella NAS, Sicily	24,528,887
27	Newport NETC, R.I	24,157,103
28	Charleston NS/NB, S.C.	23,947,095
29	Oceana NAS, Va.	23,648,917
30	Seattle NS, Wash.	22,211,924
31	Keflavik NS, Iceland	22,181,791
32	Mayport NS, Fla.	20,681,437
33	Bethesda NMC, Md.	20,265,438
34	Philadelphia NS, Pa.	19,974,230
35	Bangor NSB, Wash.	19,433,524
36	Guantanamo Bay NS, Cuba	19,407,729
37	Puget Sound NS, Wash.	16,498,746
38	Atsugi NAF, Japan	15,400,634
39	Lemoore NAS, Calif.	15,093,783
40	New Orleans NSA, La.	14,743,371
41	Imperial Beach NLF, Calif.	14,684,250
42	Adak NS, Alaska	14,392,095
43	Mare Island NS, Calif.	14,032,014
44	Monterey NPS, Calif.	13,896,680
45	Dallas NAS, Texas	12,854,137
46	Kings Bay NSB, Ga.	12,290,389
47	Norfolk NS, Va.	11,818,182
48	Charleston NWS, S.C.	11,794,227
49	Key West NAS, Fla.	11,469,446
50	Cecil Field NAS, Fla.	11,439,221
51	Patuxent River NAS, Md.	11,303,693
52	Brunswick NAS, Maine	10,948,137
53	Corpus Christi NAS, Texas	10,832,546
54	Bermuda NAS, Bermuda	10,140,076
55	Sasebo FA, Japan	9,310,362
56	Cubi Point NAS, Philippines	9,189,515
57	Hamilton DoD HF, Calif.	8,986,380
58	Gulfport NCBC, Miss.	7,712,924
59	Annapolis NS, Md.	7,544,891
60	Mitchell Field NSHA, N.Y.	7,428,507
61	Point Mugu NAS, Calif.	7,381,207
62	Holy Loch NSA, Scotland	6,923,063
63	Coronado NAB, Calif.	6,845,582
64	Meridian NAS, Miss.	6,780,181
65	Treasure Island NS, Calif.	6,715,753
66	Willow Grove NAS, Pa.	6,072,405
67	Whiting Field NAS, Fla.	5,419,349
68	Dam Neck FCTC, Va.	5,240,228
69	Sanno Hotel NEF, Japan	5,209,120
70	West Ruislip NA, England	4,923,724
71	Fallon NAS, Nev.	4,811,150
72	Norfolk NUMOC, Va.	4,722,480
73	San Diego NMC, Calif.	4,341,394
74	Edzell NSGA, Scotland	4,273,346
75	South Weymouth NAS, Mass.	3,865,217
76	China Lake NWC, Calif.	3,717,178
77	San Diego NSB, Calif.	3,547,365
78	Washington NYND, D.C.	3,259,909
79	La Maddalena NSO, Italy	3,200,341
80	Oakland NH, Calif.	3,079,997
81	Pensacola NTTC, Fla.	2,926,458
82	Sabana Seca NSGA, P.R.	2,865,140
83	Lakehurst NAEC, N.J.	2,832,739
84	Portsmouth NH, Va.	2,793,989
85	Atlanta NAS, Ga.	2,725,477
86	Athens NSCS, Ga.	2,668,605
87	Staten Island NS, N.Y.	2,587,275
88	Argentia NF, Newfoundland	2,509,286
89	Scotia NAU, N.Y.	2,210,062
90	Glenview NAS, Ill.	2,194,529
91	Kingsville NAS, Texas	2,194,237
92	Beeville NAS, Texas	2,068,034
93	Kekaha PMR, Hawaii	2,051,227
94	Pinetamare NSAD, Italy	2,027,772
95	Yorktown NWS, Va.	2,017,581
96	Arlington NUC, Va.	1,970,465
97	Great Lakes NH, Ill.	1,867,332
98	Exmouth NCS, Australia	1,862,738
99	Panama City NCSC, Fla.	1,795,713
100	Norfolk AFHSA, Va.	1,672,021
101	Brawdy NF, Wales	1,633,780
102	Dahlgren NSWC, Va.	1,621,499
103	Stockton NCS, Calif.	1,600,459
104	El Centro NAF, Calif.	1,559,025
105	Colts Neck NWS, N.J.	1,491,501
106	Gaeta NSAD, Italy	1,455,926
107	London NAUK, England	1,426,599
108	Davisville IBE, NCBC, R.I.	1,393,180
109	Chesapeake NSGANW, Va.	1,312,134
110	Souda Bay NSA, Crete	1,236,922
111	Beaufort NH, S.C.	1,178,372
112	Honolulu NCA, Hawaii	1,058,756
113	Concord NWS, Calif.	1,034,664
114	Antigua NF, West Indies	949,309
115	Thurso NCS, Scotland	913,442
116	Cheltenham NCU, Md.	903,476
117	Mechanicsburg NSPCC, Pa.	896,811
118	Oakland NSC, Calif.	891,622
119	Christchurch NSFAD, New Zealand	813,678
120	Warminster NADC, Pa.	759,472
121	Pasacagoula SS, Miss.	758,620
122	Portsmouth NS, N.H.	732,456
123	Lisbon SUH, Portugal	715,665
124	Indian Head NOS, Md.	662,658
125	Charleston NRMC, S.C.	651,528
126	Philadelphia ASO, Pa.	639,528
127	Winter Harbor NSGA, Maine	633,642
128	St. Mawgan NWF, England	631,471
129	Crane NWSC, Ind.	593,168
130	Waianae NML, Hawaii	524,194
131	Cutler NCU, Maine	489,161
132	Machrihanish NAWF, Scotland	439,754
133	Sugar Grove NRS, W. Va.	402,605
134	San Clemente Island NALF, Calif.	355,827
135	Philadelphia NH, Pa.	337,843
136	Centerville Beach NF, Calif.	268,168
137	Skaggs Island NSGA, Calif.	234,334
138	Hario NHA, Japan	82,474
	ConUS Total	***$1,441,539,352***
	Overseas Total	***$654,635,180***
	GRAND TOTAL	***$2,096,174,532***

THE NEXCOM FY 1991 MILLION DOLLAR VENDORS LIST

The Navy Exchange System reports that 238 vendors and suppliers provided a million dollars or more in products or services to Navy Exchanges around the world during the past fiscal year. Below is a list of million dollar vendors, ranked by dollar volume, for fiscal year 1991.

The list was compiled by rolling up payments made to vendors and suppliers by the Navy Exchange Service Command and by Navy Exchange Service Centers. The list is as comprehensive as possible, considering the complexity of correlating data from numerous sources.

Rank	Vendor Name	Amount
1	Phillip Morris	$28,999,090
2	Eurpac	23,878,844
3	Gasco Gasoline	22,118,830
4	Coca-Cola	21,064,722
5	R.J. Reynolds	16,851,250
6	JVC Corp of America	14,301,414
7	Pepsi Cola	11,084,682
8	Procter & Gamble	11,062,500
9	Sony/Mohawk Marketing	10,931,037
10	American Greetings Corp	10,911,296
11	Sharp Electronics	10,805,341
12	Nike	10,739,778
13	Brown & Williamson	10,564,205
14	Louis Dreyfus	10,086,944
15	Levi Strauss	9,010,339
16	Nintendo	8,695,676
17	Wolverine Worldwide/Bates	8,187,017
18	Eastman Kodak	8,176,122
19	Chevron	7,987,348
20	Whirlpool Corp	7,926,363
21	Panasonic	7,621,526
22	Encore Int'l	7,349,612
23	Creighton Inc	7,151,548
24	Hanes	7,101,036
25	BP Oil	7,061,004
26	Liz Claiborne	6,879,957
27	Anheuser-Busch	6,776,371
28	Sanyo Elect/RTA Int'l	6,714,698
29	Coastal Refining & Mark	6,349,887
30	Frito Lay Inc	6,087,105
31	Thomson Consumer Elect.	5,853,852
32	Seagoing Uniform	5,482,892
33	ARA Services	5,455,719
34	American Brands	5,311,446
35	Revlon International	4,757,699
36	River City Petroleum	4,695,407
37	John K. Kealy	4,654,211
38	Black & Decker	4,653,074
39	Vendor Supply of America	4,536,615
40	Applied Graphics Tech	4,527,898
41	Vanguard Military Equipment	4,507,110
42	Handleman	4,468,668
43	Weintraub Bros	4,427,640
44	Reebok	4,206,273
45	Vanguard Industries West	4,199,274
46	Bose Corp	4,120,113
47	AT & T Consumer Prod	3,951,249
48	M & M Mars Div Mars Inc	3,915,647
49	J.E. Seagrams & Sons	3,904,445
50	Nabisco/Planters	3,903,070
51	Zenith Products Corp	3,802,050
52	Miller Brewing Co	3,802,012
53	C. Lloyd Johnson Co Inc	3,789,329
54	Estee Lauder Inc	3,692,847
55	Eveready	3,687,357
56	Gitano	3,633,108
57	Canon USA Inc	$3,610,137
58	Western Union Telegraph	3,599,158
59	Gillette Co	3,569,657
60	American Distributors	3,403,567
61	NCR Corporation	3,348,633
62	3M	3,299,574
63	Beverages Foods & Svc Ind	3,248,983
64	Pioneer Electronics	3,246,717
65	Lorillard	3,208,152
66	Johnson & Johnson	3,137,096
67	Associated Dist. Inc	3,061,244
68	Rubbermaid Specialty	3,041,830
69	Lieberman Enterprises	3,018,888
70	Goldstar	2,999,496
71	Belcher Coastal Fuels	2,995,140
72	Hawaiian Isles Distributors	2,994,094
73	Packard Bell	2,963,813
74	Murray Ohio Mfg Co	2,963,514
75	Premier Beverages Co	2,959,295
76	Wright & Lato Inc	2,954,316
77	Evenflo	2,944,504
78	NDC Distributors	2,940,945
79	Southern Apparel Co.	2,842,438
80	B. Lippman Inc	2,822,805
81	Fieldcrest Mills Inc	2,744,837
82	Sunbeam/Oster	2,733,459
83	Elizabeth Arden Inc	2,708,767
84	Lenox China & Crystal	2,698,806
85	Goodyear Tire & Rubber Co	2,661,368
86	Wash. St. Liquor Control Bd	2,652,593
87	General Electric Co	2,630,873
88	M.J. Soffe Co	2,619,531
89	Mattel Toys	2,577,273
90	Eli Witt Co	2,564,254
91	Sandberg & Sikorski	2,561,879
92	Diversified Prod Intl	2,547,706
93	Monarch Crown Bristol	2,532,848
94	Davis Clothing Co	2,532,664
95	Haggar	2,523,302
96	Brigade Brands	2,483,613
97	National Vendors	2,438,197
98	Huffy	2,339,884
99	Waterford Wedgwood Inc	2,311,295
100	Bausch & Lomb Inc	2,281,527
101	Coast Distributing Co	2,230,603
102	Kraft General Foods	2,194,426
103	Hoffman Beverage Co	2,163,404
104	Lladro	2,155,781
105	Polaroid Corp	2,137,447
106	Kimberly Clark Corp	2,135,727
107	N.V. Spring Co	2,104,216
108	Calvin Klein	2,098,338
109	Continental Baking	2,083,250
110	Samsonite Corp	2,062,722
111	Leading Technology	2,058,456
112	Hiram Walker	2,051,506
113	James Beam Distilling	2,051,214
114	Timex Corp	$2,045,762
115	Kenwood Electronics Inc	2,042,734
116	McWhirter Dist. Co	2,039,860
117	Southern Wines Spirits	2,017,920
118	F.H. Anthony & Assoc	1,997,359
119	Exxon Co	1,984,893
120	Tash Inc	1,933,949
121	Mesa Distributing Co	1,932,449
122	CBM Computer Center	1,906,508
123	Youngs Market	1,905,479
124	Norfolk Beverage Co	1,887,574
125	Bacardi Imports Inc	1,882,675
126	Pendleton Woolen Mills	1,874,085
127	Gruen Marketing Corp	1,833,466
128	Hershey Choc. Co	1,803,537
129	Conoco Inc	1,793,090
130	Florafax International	1,775,910
131	Zojirushi American Corp	1,774,157
132	Palisade Wholesale	1,770,711
133	Jockey International Inc	1,760,215
134	Hilborn Hamburger	1,748,046
135	Texaco	1,733,272
136	Hamilton Beach/Proctor Silex	1,706,673
137	James River Corp	1,706,199
138	Millie's	1,704,916
139	Cheseborough Ponds	1,691,895
140	Hoover Company	1,679,925
141	Smith Corona	1,661,211
142	Hitachi Home Electronics	1,641,320
143	Woodstream Corp	1,633,932
144	Perrigo Co	1,633,124
145	Sealy Mattress Co	1,631,503
146	Lever Brothers	1,630,745
147	Minolta Corp	1,630,405
148	Hawn Independent Refinery	1,627,577
149	Simmons Mattresses	1,617,685
150	World Pacific	1,615,346
151	Glidden	1,580,618
152	Certified Grocers	1,563,767
153	Playtex Co	1,562,612
154	Cosmair/Designer Frag.	1,561,357
155	Baskin Robbins	1,554,214
156	Gallo Wine	1,548,089
157	Bugle Boys Industries	1,544,014
158	Eureka Company	1,528,135
159	Old Dominion Tobacco	1,517,752
160	Eagle Distributors	1,511,979
161	Maidenform	1,510,776
162	A & B Dist	1,509,098
163	Pearlstine Dist	1,486,198
164	Seven Up Bottling Co	1,473,843
165	Fritzi of Calif	1,445,317
166	Colgate-Palmolive	1,439,729
167	U.S. Shoe	1,439,608
168	Union Bay Sportswear	1,414,940
169	U-Haul	1,411,508
170	The Ultimate Corp	1,396,295

THE NEXCOM FY 1991 MILLION DOLLAR VENDORS LIST

171 - Impact Marketing	$1,384,627
172 - Audiovox Corp	1,383,455
173 - Corning Glass Works	1,373,199
174 - Churchhill Distributors	1,369,241
175 - N. Goldring Corp	1,358,561
176 - Teleflora Corp	1,357,327
177 - Quick Silver	1,325,055
178 - S.C. Johnson & Sons Inc	1,320,896
179 - Koret of Calif	1,318,130
180 - San Diego Candy Co. Inc	1,311,027
181 - Arrow Company	1,305,113
182 - Prince Gardner	1,304,821
183 - Neal Tyler	1,298,706
184 - Military Special Markets	1,294,791
185 - Atlantic Distillers	1,284,422
186 - Spring Industries	1,278,363
187 - Gucci Timepiece	1,278,318
188 - International Distrib	1,276,462
189 - Affordable Furniture	1,271,404
190 - Rockport Co	1,259,049
191 - Broudy-Kantor Co. Inc	1,257,394
192 - West Florida Distributors	1,256,743
193 - Michelin	1,247,022
194 - Wilson Sporting Goods	$1,243,471
195 - Coleman Co. Inc	1,240,848
196 - Island Beverage Co	1,217,955
197 - The Vault Inc	1,217,455
198 - Watters and Martin	1,214,782
199 - Mercury Luggage	1,187,378
200 - Reliable Liquors	1,184,128
201 - Con Agra Pet Products	1,169,715
202 - Playmates Toys Inc	1,152,955
203 - Pennzoil Co	1,152,092
204 - Mead Products Corp	1,143,510
205 - Ocean Pacific (Consol)	1,134,199
206 - Southland Food Centers	1,133,972
207 - Gate Fuel Service	1,126,547
208 - Fisher Price Toys	1,125,147
209 - Brigade Quarter Master	1,108,621
210 - Kayser Roth Hosiery	1,108,056
211 - Allied Fine Furniture	1,103,474
212 - Paradise Beverage	1,100,816
213 - Oscar Mayer & Co	1,098,941
214 - Murata Business Systems	1,097,308
215 - W.C. Bradley	1,091,903
216 - Beecham Products	1,080,636
217 - West Point Pepperell/Martex	$1,073,796
218 - L'Oreal	1,067,044
219 - Bethco Fragrances	1,062,820
220 - Goody Products	1,058,544
221 - Gekay Sales & Service Co	1,054,076
222 - Isfel Co. Inc	1,052,569
223 - Little Tikes	1,051,448
224 - Henry J. Lee Dist	1,049,616
225 - Roy Greene Associates	1,044,942
226 - Ekco Housewares Co	1,039,146
227 - Telxon Corporation	1,035,337
228 - Stroh Brewery	1,032,993
229 - E.J. Brach	1,031,227
230 - Paul Davril	1,026,666
231 - Leslie Fay	1,021,496
232 - Hecht Dist Co. Inc	1,010,133
233 - American Harvest	1,005,693
234 - Heublein Wines/Chris Bros	1,004,332
235 - Master Lock	1,003,591
236 - London Fog	1,002,876
237 - Food & Spirits Dist. Corp	1,001,620
238 - Jostens Custom Sportswear	1,000,714

NEXCOM reports MWR contributions down in 1991 despite increased exchange sales of 4.4 percent

Navy exchange sales were up 4.4 percent in 1991 while contributions to morale, welfare, and recreation programs were down 4.1 percent. Navy Exchange Service Command officials did not explain the discrepancy between the agency's sales performance and its contributions to MWR programs, and were unable to do so by MILITARY MARKET press time.

Final figures show almost $2.1 billion in Navy exchange sales during fiscal year 1991, up from $2 billion in 1990. NEXCOM made $80 million in MWR contributions in 1991, down from $82.6 million in 1990, according to preliminary unaudited figures.

Exchange marts, stores at 16 remote locations which combine exchange merchandise with groceries sold at cost plus 5 percent, accounted for $6.66 million in sales in 1991. That figure was not broken out in the 1990 NEXCOM sales report.

NEXCOM did more than $1.44 billion in ConUS sales and $654.6 million in overseas sales in 1991. In 1990, NEXCOM did $1.38 billion in ConUS and almost $620.8 million overseas. Figures do not include Navy lodges.

Total retail sales for 1991 were almost $1.5 billion. Slightly more than $1 billion came from ConUS and almost $500 million was done overseas. Retail sales in 1990 were almost $1.43 billion ($966.8 million in ConUS, $460.6 overseas).

The largest retail category for 1991 was consumer electronics, at almost $141.3 million. Next was tobacco and smoking accessories, at almost $133.2 million. Third was beverages (beer and soda) with $105.13 million. These three categories were also the top three sellers in terms of dollars during 1990.

Total services sales were more than $408.8 million, down from the $429.2 million posted during 1990.

Concession sales were almost $157.83 million, up from $151.1 million in 1990.

Best-performing categories were as follows: Fast food (up 80.74 percent); Furniture (up 16.44 percent); Home furnishings and giftware (up 13.64 percent); Records and tapes (up 11.99 percent), and Sporting goods (up 10.38 percent).

The worst-performing categories were: Amusement machines (down 32.57 percent); Electrical appliances (down 15.99 percent); Personalized services (down 8.50 percent); Cameras and photo equipment (down 7.39 percent), and Food service (down 7.24 percent).

The Navy's central recreation fund received $46.6 million in dividends from NEXCOM in 1991, according to preliminary unaudited figures. This is the same amount it received in 1990.

Another $33.4 million in dividends went to local commands and major claimants in 1991, down from the $36 million those activities shared in 1990. (Major claimants are elements of the Navy command structure responsible for activities which do not fall under local commands.)

Market Report

Home Office Equipment:

There's a wealth of potential . . . ,

. . . but is it politically correct?

By Associate Editor TIM BOIVIN

Plans for increasing the variety of home office equipment and the size of televisions now sold in military exchanges could get shot down by the ongoing debate over the exchanges' last stock assortment expansion.

The controversial 1990 expansion into white goods, mattresses and 9- and 13-inch televisions led to complaints to Congress earlier this year that "reached a noise level up here," according to one congressional staffer.

Now, the exchange systems' latest proposal to authorize new home office products for sale along with large-screen televisions may be a political potato that's too hot to handle in an already sizzling election year.

The exchange systems were expected to ask the Morale, Welfare and Recreation Panel to approve the new product categories for sale. But it is not going to be an easy sell, and may not even be a sell at all.

THE WHITE GOODS FLAP

Some suppliers to the exchange systems say they assume that NEXCOM has already submitted the request for new categories on behalf of the Armed Forces Exchange Coordinating Committee. Although the proposal has been prepared by NEXCOM staffers, a staff member for the MWR Panel told MILITARY MARKET that he hasn't seen the request yet.

When it does arrive, it is certain to spark a spirited debate on what merchandise exchanges should be allowed to sell. On one side of the battlefield are the exchange systems. Giving them the evil eye from the other side are civilian retailers outside the front gates.

Trapped in a no-man's land in the middle are members of the House of Representatives. There are election year controversies of other sorts already making them squeamish about upsetting any more constituents back home.

The exchange systems' justifications for introducing the new categories into the stock assortment is simple. They feel their customers should be able to shop for the same items in exchanges that are offered to the American public in other retail outlets.

A reason for justifying home office equipment, some supporters say, is that it will provide a way of supporting people leaving the service. They theorize that owning items like facsimile machines and answering machines will make it easier for people to look for work once they are forced out of the service.

"The [House Armed Services] Committee has given us the authority to give a stock assortment of what we offer to soldiers and airmen that is compatible with what the living standards are with the American people in general," Army Maj. Gen. Albin G. Wheeler, the AAFES commander, said last November at an MWR panel hearing.

"We believe that the soldiers and airmen should profit from our ability to buy and sell those things to them," Wheeler said in response to concerns about the expansion into white goods voiced by Florida Democrat Earl Hutto, a member of the panel.

Civilian retailers in Hutto's district, which includes Eglin AFB and Hurlburt Field, have been angry over the sale of white goods, mattresses and large screen televisions. They feel their interests were not given a fair hearing before the exchanges were allowed to sell those products.

Many civilian retailers told MILITARY MARKET they had no idea those products had been approved for sale until exchange customers started doing comparative price shopping in their stores.

The downtown shop owners also want to know when a firm line will be drawn over what exchanges can and cannot sell. They are worried that the exchange systems will not stop at fax machines, personal copiers or cellular phones and will soon eye automobiles or even real estate; they vow to fight a pitched battle with the exchange systems on any future expansions.

A NEEDED BOOST

However, the bottom line is that the exchange systems need all the help they can get to increase their sales and generate revenue for MWR programs.

Because of the diminishing customer base caused by the drawdown and base closures, expansion into these categories will help the exchange systems continue providing money for MWR programs in a time of increasingly scarce funding.

But civilian retailers feel they are the ones being penalized for Capitol Hill's inability to properly compensate the military.

"If they need a raise, then for God's sake give them one," said Raymond Cohen, owner of Cohen's Electronics in Montgomery, Ala., near Maxwell AFB and Gunter AFS. "But don't take it out of our damn hides!"

Cohen added that he understands and supports the military's need to adequately compensate its troops. But, he added, every dollar spent on post is a dollar that is not taxed off-post, and the programs of nearby communities suffer along with those of the federal government.

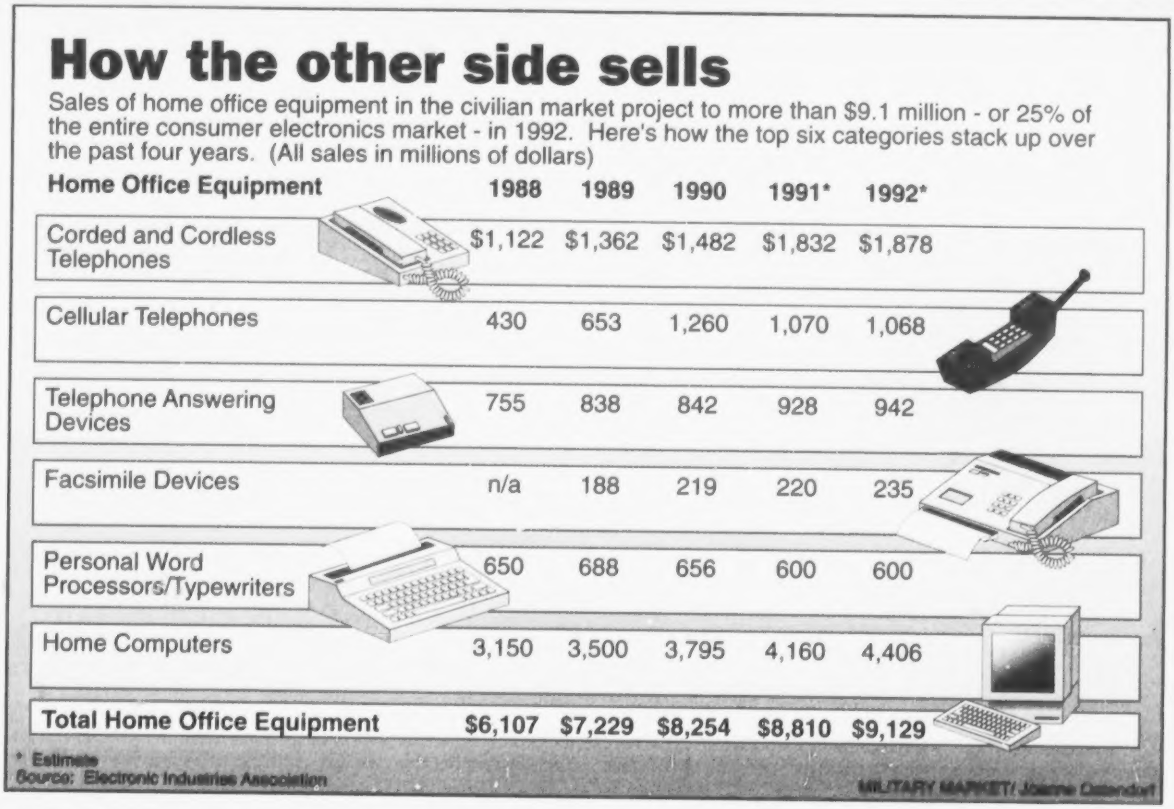
A DIFFICULT DECISION

It is not an enviable position the MWR panel finds itself in during this election year. With the electorate's ugly mood toward Congress, a wrong move could spell Doomsday come Election Day.

Continued

How the other side sells

Sales of home office equipment in the civilian market project to more than $9.1 million - or 25% of the entire consumer electronics market - in 1992. Here's how the top six categories stack up over the past four years. (All sales in millions of dollars)



Home Office Equipment	1988	1989	1990	1991*	1992*
Corded and Cordless Telephones	$1,122	$1,362	$1,482	$1,832	$1,878
Cellular Telephones	430	653	1,260	1,070	1,068
Telephone Answering Devices	755	838	842	928	942
Facsimile Devices	n/a	188	219	220	235
Personal Word Processors/Typewriters	650	688	656	600	600
Home Computers	3,150	3,500	3,795	4,160	4,406
Total Home Office Equipment	**$6,107**	**$7,229**	**$8,254**	**$8,810**	**$9,129**

* Estimate

Source: Electronic Industries Association

MILITARY MARKET/ Joanne Ostendorf

The chairman of the MWR panel, Rep. H. Martin Lancaster, D-N.C., warned in an April interview with MILITARY MARKET that, once the exchange systems' request reaches Capitol Hill, the panel will not just rubber stamp the request.

The systems "are going to have to do their homework in a way that they've never done it before" because justifying new lines in exchanges will be "much more difficult" than it has been, Lancaster said.

If the panel finds that "in some communities, the military personnel and their families — retired and active — are having to pay more than if they were stationed somewhere else, then that is an appropriate time for us to look at whether or not that product should be offered in the military resale system," Lancaster said.

Even so, Lancaster warned, it will be hard for exchanges to justify a bigger stock assortment, since the MWR Panel will probably intensify the focus of its scrutiny of any new requests.

"Increasingly, the competition on the outside is so great from discount houses, they're now going into even the smallest communities," Lancaster pointed out. "It's going to be more difficult to justify new product lines, because generally you can find that product at a competitive price now almost anywhere you're stationed," he said.

POTENTIAL GOLD MINE

What's at stake with these products in legislative limbo? A ton of potential sales.

One military broker account executive said that, if exchanges would carry just personal copiers, they could easily double their current dollar sales of home office equipment.

Home office products are among the few consumer electronics categories that show any substantial growth now, according to the Consumer Electronics Group (CEG) of the Electronic Industries Association.

Large-screen TVs are also a potential growth area. In a January 1992 report, the association said that unit sales of color TVs 30 inches and larger grew about 62 percent in 1991. Exchanges are authorized to sell televisions up to 27 inches.

Dan Cougevan, the consumer electronics buyer at NEXCOM's Centralized Buying Office, points out that Americans in the 1990s are "cocooning." Home entertainment and multi-media systems are now so large and elaborate that they can take the place of visits to traditional social centers like libraries, movie theaters and concert halls. *[EDITOR'S NOTE: See sidebar, page 41.]* The sale of large screen TVs is essential to any retailer's ability to meet the home theater needs of the cocooning consumers of the '90s.

The CEG is so convinced of the importance of multimedia and home theater that the category was scheduled to be showcased in new pavilions at the 1992 International Summer Consumer Electronics Show, held in Chicago in late May. They were also given their own dedicated product areas at the show.

In a press release sent out prior to the show, Gary Shapiro, group vice president of the CEG, called the trend toward multi-media products for home use "edutainment." He credited consumer demand for "the creation of useful products and concepts that will help [consumers] lead more productive lives."

Multi-media projects combine the use of computers with other consumer electronics products. Two examples are CD-ROM and CD-Interactive systems, which Cougevan says are two of the hottest trends in the marketplace today.

"*Edutainment* is, in many ways, one of the most challenging concepts in consumer electronics today, simply because it is ripe with possibilities and has great potential in a variety of educational and entertainment applications," Shapiro said in the press release. "For trade and consumers, it is central to a full understanding of the wide reach of our industry in the nineties."

THE MARKET'S BACKBONE

As for home office equipment, the CEG projects that the home information market will make up 25 percent of U.S. sales in consumer electronics in 1992. Video products make up the largest share — 34 percent. Audio products are 26 percent of sales.

Total U.S. sales of consumer electronics reached an estimated $35.7 billion in 1991, up only 1 percent. Dollar sales of video products were down 1.76 percent, and dollar sales of audio products were down 3.16 percent.

The ability to post any kind of gain in consumer electronics sales was possible "due to the strength of home information equipment sales," which were up 6.9 percent, according to the CEG.

By the end of 1992, the CEG projects U.S. sales of home information equipment to increase almost 50 percent over the 1988 level, when sales were $6.1 billion. By the end of 1992, the CEG projects home information equipment sales at $9.1 billion annually.

Unit sales of home fax machines are expected to increase 18.8 percent in 1992, the CEG estimates. Exchanges are authorized to sell facsimile machines overseas but not in ConUS, according to Jeff Blevins, home office and computer buyer at NEXCOM's Centralized Buying Office.

Unit sales of home computers increased an estimated 16.4 percent in 1991, and are forecast to grow 10.2 percent in 1992. Exchanges are authorized to sell only computers made by American companies who ensure that a certain percentage of the product is actually manufactured and assembled in the United States.

Exchanges are also limited to selling telephones costing under $180. Blevins said the systems will ask for that limit to be lifted so they can carry higher-end telephones. They also would then be able to sell cellular phones.

"On the outside, in the office superstores and Circuit City [stores], fax machines and cellular telephones are your two hottest products," Blevins said in a February interview.

The CEG says dollar sales of telephone products, including answering machines, increased 6.9 percent in 1991. Blevins said that among the categories already authorized for sale in exchanges, answering machines and cordless telephones are the two hot growth areas he anticipates in the future.

Much of the growth is due to reduced purchase prices. For instance, the average cost of a cellular phone in 1988 was $860. It is projected to be $305 in 1992. The average cost of a facsimile device in 1989 (the first year for which CEG has figures available) was $750. It is projected to be $495 in 1992.

This general price shift has been reflected in total unit sales to dealers. In 1988, cellular phone sales were an estimated 500,000 units. In 1992, that figure projects to 3.5 million units. Facsimile machines had unit sales of 250,000 in 1989; by the end of 1992 sales are expected to reach 475,000 units.

Undoubtedly, large screen TVs and home office equipment are an untapped reservoir of sales waiting to cascade through the cash registers of military exchanges into MWR programs. The question is if members of the MWR Panel are willing to address the political issues.

"Where it hurts us is our customer wants it and we don't have it," said Blevins. "I think that's the primary issue. We have customers coming in and asking for fax machines and cellular phones.

"I think that part of the benefit of serving in the military is that we should be able to have those products available for our men and women."

MM

Cocooning

Dan Cougevan sees a day not too far off when kids' Saturday study trips to the library will be obsolete.

The electronics buyer at NEXCOM's Centralized Buying Office told MILITARY MARKET in a recent interview that the library will come to Johnny, instead of Johnny going to the library.

With "what's available now and what's going to come up, your kid will never have to go to a library again," Cougevan said. "He'll have everything on disk."

The increased availability of media systems in homes is part of a trend called "cocooning," where consumers build elaborate entertainment systems in their own homes.

Interactive CD players fit right into the cocooning trend of American families. "Not only does interactive CD provide entertainment, but the educational value of the software is outstanding," he said.

The proliferation of home entertainment products is a silver lining to the financial cloud hovering over retailers, Cougevan said.

"In recessionary times, people are spending a lot more time at home. Home entertainment is becoming a lot more important in the '90s," Cougevan said. "I can see people staying home for hours with their home theater and interactive CD. They'll just never have to leave their home to be entertained. Whether that's a good thing or not, I don't know."

What Cougevan does know is what's hot and what's not. Among the hottest products for 1992 are Kareoke machines, VHS camcorders, boomboxes with CDs, high-powered mini systems, interactive CD, and 16-bit videogames.

What's not? Console televisions "are dead in the water," says Cougevan. Single CD players are also yesterday's news. "There is no longer a price-value relationship. For just 30 or 40 dollars more, a customer can get a multiple CD player, and first-time purchasers are a lot more aware of that now than they were years ago."

Other products on the skids include all-in-one full size rack systems and mono televisions. Eight-bit video games have "really slowed up," Cougevan said, as manufacturers come out with the more advanced 16-bit models.

High-end boomboxes that do not play compact discs are also struggling. "A customer can get a CD boombox for $119. Why would he want to spend $99 or $109?" Cougevan said.

Other long-standing favorites have made enhancements to stay strong in the market. Portable cassette players now have digital tuning and megabass. Compact camcorders are going to color viewfinders. High-powered mini systems feature digital signal processing. And personal CD players have mega-bass and come with car adaptors.

The interest in TV/VCR combination units has been so intense that Navy exchanges have added a second Quasar SKU to the assortment.

Cougevan said lower price points have done exceptionally well in Navy exchanges in the first half of 1992, a trend that is expected to continue through the critical holiday selling season. Popular price points include CD boomboxes under $130; compact camcorders under $700; 4-head VCRs under $250; 27-inch TVs under $700; and personal CD players under $150.

TB

■ **Mid-year Updates from the Commanders**

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Military Market

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ARMY TIMES PUBLISHING COMPANY
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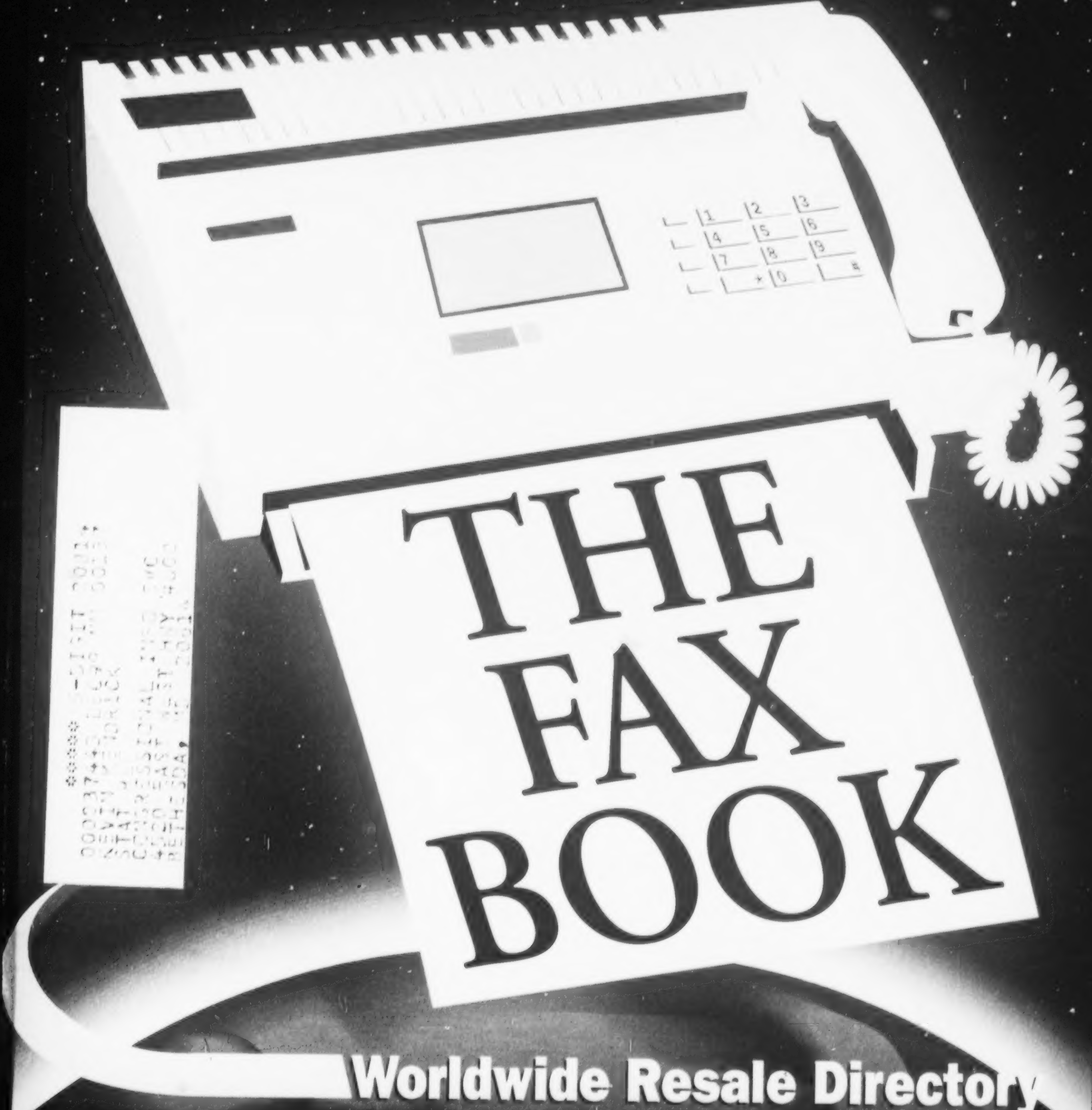
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THE FAX BOOK

Worldwide Resale Directory

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Military Market Index

COMMISSARIES		MARCH				YEAR-TO-DATE			
		CY '91	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$79,753	$72,825	-8.69	$1,776	$218,652	$218,185	-0.21	41
	OVERSEAS	353	371	+5.02	371	990	1,126	13.75	1
	TOTAL	**80,106**	**73,196**	**-8.63**	**1,743**	**219,642**	**219,310**	**-0.15**	**42**
MIDWEST	CONUS	90,008	78,472	-12.82	1,868	246,766	236,406	-4.20	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**90,008**	**78,472**	**-12.82**	**1,868**	**246,766**	**236,406**	**-4.20**	**42**
NORTHEAST	CONUS	74,615	65,495	-12.22	1,455	204,565	195,649	-4.36	45
	OVERSEAS	72	75	+3.74	75	201	222	+9.96	1
	TOTAL	**74,687**	**65,569**	**-12.21**	**1,425**	**204,767**	**195,870**	**-4.34**	**46**
SOUTHERN	CONUS	95,704	84,401	-11.81	1,758	262,384	253,324	-3.45	48
	OVERSEAS	5,114	6,069	+18.67	1,214	14,340	18,004	+25.56	5
	TOTAL	**100,819**	**90,470**	**-10.26**	**1,707**	**276,723**	**271,328**	**-1.95**	**53**
SOUTHWEST	CONUS	94,822	86,387	-8.90	1,661	259,965	258,374	-0.61	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**94,822**	**86,387**	**-8.90**	**1,661**	**259,965**	**258,374**	**-0.61**	**52**
NORTHWEST/ PACIFIC	CONUS	23,443	22,311	-4.83	1,716	64,271	65,882	+2.51	13
	OVERSEAS	40,276	46,868	+16.37	1,090	112,926	139,515	+23.54	43
	TOTAL	**63,719**	**69,179**	**+8.57**	**1,235**	**177,198**	**205,397**	**+15.91**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	54,253	57,616	+6.20	505	152,113	175,497	+15.37	114
	TOTAL	**54,253**	**57,616**	**+6.20**	**505**	**152,113**	**175,497**	**+15.37**	**114**
TOTAL COMMISSARIES	CONUS	$458,346	$409,891	-10.57	$1,701	$1,256,603	$1,227,820	-2.29	241
	OVERSEAS	$100,068	$110,998	+10.92	$677	$280,570	$334,363	+19.17	164
	TOTAL	**$558,414**	**$520,886**	-6.72	**$1,286**	**$1,537,173**	**$1,562,183**	+1.63	405
GROCERY STORES	*U.S. 1*	***$29.267bil.***	***$28.521bil.***	***-2.55%***	–	***$82.601bil.***	***$84.418bil.***	*+2.20%*	–

EXCHANGES		MARCH			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$344,466	$346,985	+0.73	$967,885	$957,533	-1.07
	OVERSEAS	270,539	231,582	-14.40	748,758	676,158	-9.70
	TOTAL	**615,005**	**578,567**	**-5.92**	**1,716,643**	**$1,633,691**	**-4.83**
MAIL ORDER	CONUS	1,514	1,304	-13.87	4,808	3,631	-24.48
	OVERSEAS	3,222	2,237	-30.57	10,097	5,920	-41.37
	TOTAL	**4,736**	**3,541**	**-25.23**	**14,905**	**9,551**	-35.92
NAVY	CONUS	127,807	127,543	-0.21	314,137	320,962	+2.17
	OVERSEAS	56,398	58,700	+4.08	141,051	153,440	+8.78
	TOTAL	**184,205**	**186,243**	**+1.11**	**455,188**	**474,402**	**+4.22**
MARINES CORPS	CONUS	31,652	34,570	+9.22	80,411	94,987	+18.13
	OVERSEAS	5,217	5,485	+5.14	12,889	16,200	+25.69
	TOTAL	**36,869**	**40,055**	**+8.64**	**93,300**	**111,187**	+19.17
COAST GUARD	CONUS	9,570	10,000	+4.49	28,253	30,000	+6.18
	OVERSEAS	733	750	+2.32	2,173	2,250	+3.54
	TOTAL	**10,303**	**10,750**	**+4.34**	**30,426**	**32,250**	+5.99
ALL EXCHANGES	CONUS	$515,009	$520,402	+1.05	$1,395,494	$1,407,113	+0.83
	OVERSEAS	$336,109	$298,754	-11.11	$914,968	$853,968	-6.67
	TOTAL	**$851,118**	**$819,156**	**-3.76**	**$2,310,462**	**$2,261,081**	-2.14
DEPARTMENT STORES	*U.S.*	***$13.734bil.***	***$13.786bil.***	***+0.38%***	***$34.245bil.***	***$36.853bil.***	*+7.62%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region, service or system. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores; does include sales of Navy uniforms, exchange mart, grocery sales, and concession sales beginning with February of each year. For the Northwest/Pacific region, Alaska and Hawaii are listed in this index as overseas stores. NOTE: Individual figures may not add to totals because of rounding. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

DeCA BILL PAYING HEARINGS

Industry urges outside help for DeCA bill-paying

By DAVID CRAIG
Associate Editor

Industry representatives, testifying before a congressional panel, recommended that DeCA hire an independent accounting firm to settle the agency's persistent bill paying problem once and for all.

"Industry strongly recommends that DeCA hire an outside accounting firm to assist with the reconciliation [of bills] and resolve the backlog," American Logistics Association President Dick Murray testified at the June 11 hearing before the House Morale, Welfare and Recreation Panel.

Thomas McGough, general manager for military sales at Kraft General Foods, urged Congress to ask DeCA to pursue several goals. They include reducing overdue bills by Sept. 30 to preconsolidation levels, drafting a plan to eliminate overdue payments, developing and installing better computer equipment for stores and devoting more people to bill paying.

McGough, whose company is owed more than $17 million by DeCA, also recommended the agency pay its interest penalties according to the terms of the Prompt Payment Act.

"Were we to encounter similar ongoing payment problems with a private sector customer, we would have no choice but to insist upon C.O.D. [cash on delivery] payment or to cut off deliveries altogether," McGough said.

He acknowledged that KGF never considered such steps, that it "has continued to work with DeCA to resolve these problems."

In his opening statement, MWR panel Chairman Rep. H. Martin Lancaster, D-N.C., said, "The panel has learned of major violations [of the 1982 Prompt Payment Act] by the commissary system and millions of dollars in interest being paid and millions in lost discounts . . . .

"It is bureaucracy gone awry and chaos at its worst."

E. Colette Nelson, an official with the Small Business Legislative Council, accused the commissary agency of having "virtually suspended many elements of the Prompt Payment Act." DeCA has been insensitive to the concerns of financially struggling small businesses, she said.

DeCA's director, Army Maj. Gen. John Dreska, told the panel, "I personally think I'm in compliance with the act," and insisted he is concerned about small businesses. He said he has often called bankers himself to assure them the agency had paid its small vendors who borrowed money to cover their unpaid DeCA bills.

For small business, the bill paying crisis "is a matter of life or death," Nelson said.

In her prepared testimony, Nelson cited at least four separate incidents when small business contractors were mistreated by being told they might not get any further contracts with DeCA or warned they might have a fraud investigation started against them.

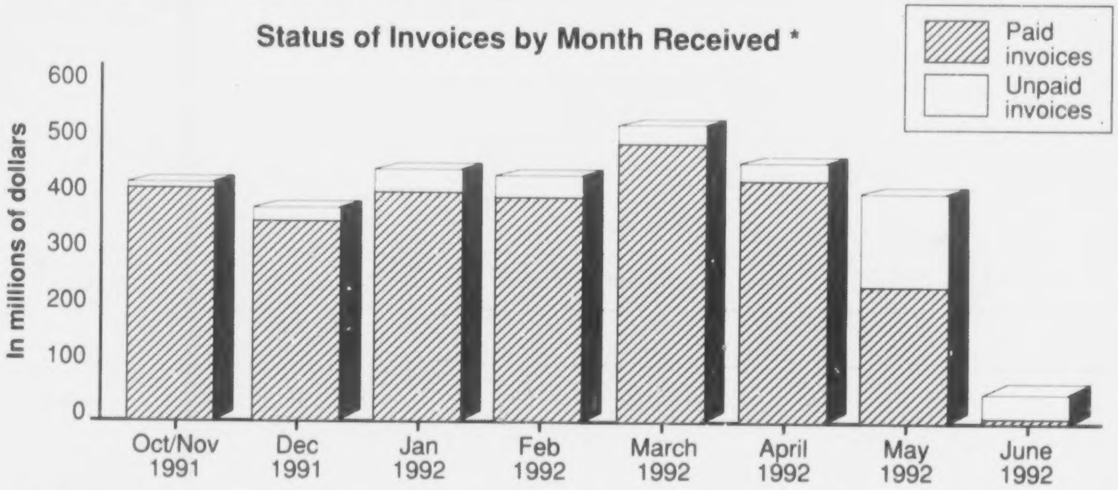
Lancaster expressed concern about Nelson's stories, saying, "One such incident is too many."

DeCA presented figures showing its bill backlog had dropped from $400 million in February to $141 million in June. The agency hopes to cut

(Continued, page 130)

Toward a Vanishing "Backlog"

Despite persistent bill-paying problems, the Defense Commissary Agency has reduced its backlog sixteen-fold since the agency's October start-up.



	Oct/Nov 1991	Dec 1991	Jan 1992	Feb 1992	March 1992	April 1992	May 1992	June 1992
Unpaid invoices **	10.7	15	40.1	34.5	34.7	38.7	163.6	46.4
Backlog reduced **	1.6	1.9	1.3	2.5	3	7.7	16.4	

*Through June 5, 1992 (Awaiting pay as of June 5 - $122 million) ** Represented in millions of dollars

Source: Defense Commissary Agency

Cristina Rivero for Military Market

CALENDAR

JULY

Early Bird Gift & Accessories Market, July 1–4, Chicago. *(312) 527-4141.*

Chicago Gift & Accessories Market, July 5–9, Chicago. *(312) 527-4141.*

Confectionary and Snack Foods Seminar, July 22, Boston. *NFBA, (202) 789-2844.*

AUGUST

Frozen Foods Conference, Aug. 9–11, Oak Brook, Ill. *NFBA, (202) 789-2844.*

AAFES Photo/Electronics Seminar, Aug. 16–21, Fort Worth, Texas.

SEPTEMBER

National Merchandise Show, September 12–15, New York. *Thalheim Expositions, (516) 627-4000.*

Chicago Fall Gift & Accessories Show, Sept. 20–23, Chicago. *(312) 527-4141.*

Exclusively HBA Show, Sept. 22–24, Denver. *(312) 726-5023.*

USAREUR MWR Expo, Sept 26–30, Heidelberg, Germany. *David Neves, 06221-160993.*

ALA Annual Convention, Sept. 30–Oct. 3, San Francisco. *ALA, (202) 466-2520.*

JUICES

(continued from page 20)

down 27.6 percent, I feel that you might have mentioned that this was primarily due to the withdrawal of a competitor's frozen pineapple juice.

By the way, shelf stable pineapple juice was up 2 percent in 1991 vs. 1990 and that growth was accomplished in a market that saw total shelf stable juices decline 2.8 percent.

The above casts a slightly different light on the performance of pineapple juice and blended frozen concentrated juices than was presented in the referenced article.

Mike McCormack
Military Sales Manager
Dole Packaged Foods Co.

• • •

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HEARING

(continued from page 16)

the backlog to $75 million by July 31 and to $40 million by fiscal year-end on Sept. 30.

Dreska, who said he considered hiring outside services to resolve the bill paying dilemma, told Congress he had decided against it. "I believe I have enough folks to get the job done," he said. He added that he used outside financial services while he worked at the Defense Logistics Agency; it took six months to train the firm for the job, he said.

But in his testimony, ALA Chairman Jim Graef observed, "Hiring an outside accounting firm could well be cheaper than paying the interest charges that DeCA will incur."

Graef also urged that DeCA issue one national contract number per manufacturer rather than having one for each of the agency's seven regions. Confusion over contract numbers has contributed greatly to the bill paying problems.

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CORRECTION

Due to incomplete information furnished to MILITARY MARKET, three names were missing from the list of DeCA Career Program Policy Board members published on page 37 of the June issue.

The three missing members are: Candido Corrada, director of the West Service Center; S. Dwight Hall, director of personnel and training; and Charles Wiker, director of the European Region.

■ Tobacco Reports ■ AAFES Early Outs

CO500-1A

Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM ARMY TIMES PUBLISHING COMPANY AUGUST 1992 $10.00

HI TECH TOOL

Buying for DeCA

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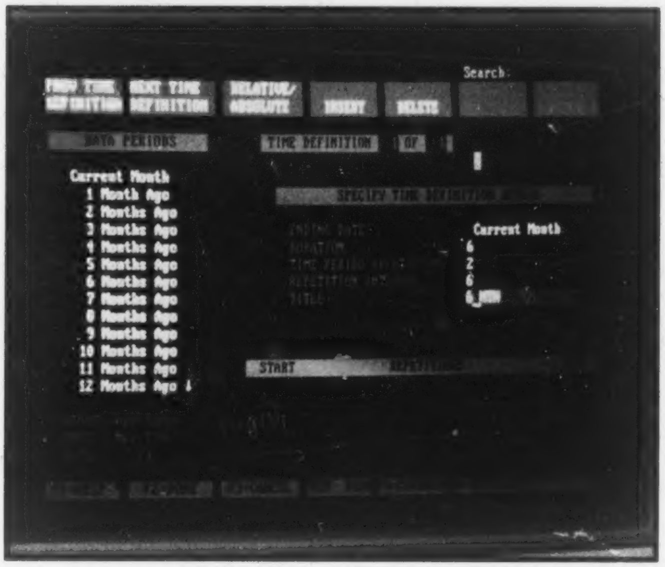

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News

☐ DeCA to appear before three more Congressional hearings. ☐ AAFES delays reductions in force through voluntary retirements. ☐ House shrinks DeCA budget, removes agency from Defense Business Operations Fund. ☐ Lancaster "cautiously optimistic" that DoD and Navy will upgrade MWR programs. ☐ Industry supports plan for DeCA headquarters buyers. ☐ Cost of living adjustment in ConUS planned for 1994. ☐ NEXCOM retail store could open at Fort Sheridan. ☐ Weatherson denies RIF rumors. ☐ NEX profit distribution up 13%. ☐ Suppliers balk at DeCA's new sign policy. ☐ Snags abound at Jacksonville CBO. ☐ DeCA conducting investigation of regional stock list implementation. ☐ Vendor purchase assistance helps central European overstock problem. 8

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For buyers at the Defense Commissary Agency, the magic word's not "Shazam!" but WAMI. 26

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COVER PHOTOGRAPH by KATE PATTERSON; DESIGN by JEROLD COUNCIL

Military Market
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Military Market Index

COMMISSARIES		APRIL				YEAR-TO-DATE			
		CY '91	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$71.248	$74.261	+4.23	$1.811	$289.322	$292.446	1.08	41
	OVERSEAS	334	408	+22.42	408	1.331	1,534	15.26	1
	TOTAL	**71,582**	**74,670**	**+4.31**	**1,778**	**290,654**	**293,981**	**1.14**	**42**
MIDWEST	CONUS	80,409	79,447	-1.20	1.892	326.523	315.853	-3.27	42
	OVERSEAS	0	0	–	-	0	0	–	0
	TOTAL	**80,409**	**79,447**	**-1.20**	**1,892**	**326,523**	**315,853**	**-3.27**	**42**
NORTHEAST	CONUS	66.658	66.719	+0.09	1.450	270.682	262.368	-3.07	46
	OVERSEAS	68	81	+19.01	81	271	303	+11.72	1
	TOTAL	**66,726**	**66,800**	**+0.11**	**1,421**	**270,953**	**262,671**	**-3.06**	**48**
SOUTHERN	CONUS	85.498	85.192	-0.36	1.775	347.188	338.516	-2.50	48
	OVERSEAS	4.835	6.317	+30.65	1.263	19.292	24.321	+26.07	5
	TOTAL	**90,333**	**91,509**	**+1.30**	**1,727**	**366,481**	**362,837**	**-0.99**	**53**
SOUTHWEST	CONUS	84.710	83.650	-1.25	1.609	343.988	342.024	-0.57	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**84,710**	**83,650**	**-1.25**	**1.609**	**343.988**	**342,024**	**-0.57**	**52**
NORTHWEST/ PACIFIC	CONUS	22.028	22.462	+1.97	1.728	89.450	88.344	-1.24	13
	OVERSEAS	37.217	48.449	+30.18	1.127	148.502	187.964	+26.57	43
	TOTAL	**59.245**	**70.911**	**+19.69**	**1.266**	**237,953**	**276,308**	**+16.12**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	51.288	60.557	+18.07	536	204.648	236.054	+15.35	113
	TOTAL	**51,288**	**60.557**	**+18.07**	**536**	**204,648**	**236.054**	**+15.35**	**113**
TOTAL COMMISSARIES	CONUS	$410.551	$411.731	+0.29	$1.701	$1.667.154	$1.639.551	-1.66	242
	OVERSEAS	$93.742	$115.812	+23.54	$711	$374.045	$450.156	+20.35	163
	TOTAL	**$504,293**	**$527,543**	**+4.61**	**$1.303**	**$2.041,199**	**$2,089,727**	**+2.38**	**405**
GROCERY STORES	*U.S.[1]*	*$27.625bil.*	*$28.646bil.*	*+3.70%*	-	*$110.226bil.*	*$112.899bil.*	*+2.43%*	–

EXCHANGES		APRIL			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$354.694	$360.038	+1.51	$1.322.448	$1.317.525	-0.37
	OVERSEAS	277.013	234.471	-15.36	1.026.024	910.628	-11.25
	TOTAL	**631,707**	**594,509**	**-5.89**	**2,348,472**	**$2,228,153**	**-5.12**
MAIL ORDER	CONUS	1.782	1.337	-24.97	6.543	4.968	-24.07
	OVERSEAS	2.709	1.924	-28.98	13.101	7.844	-40.13
	TOTAL	**4,491**	**3,261**	**-27.39**	**19,644**	**12,812**	**-34.78**
NAVY	CONUS	109.974	110.504	+0.48	426.296	433.344	+1.65
	OVERSEAS	51.661	50.506	-2.24	193.120	206.009	+6.67
	TOTAL	**161,635**	**161,010**	**-0.39**	**619,416**	**639,353**	**+3.22**
MARINES CORPS	CONUS	34.023	34.452	+1.26	114.434	129.300	+12.99
	OVERSEAS	6.175	5.669	-8.19	19.064	20.994	+10.12
	TOTAL	**40,198**	**40,121**	**-0.19**	**133,498**	**150,294**	**+12.58**
COAST GUARD	CONUS	8.378	8.381	+0.04	36.631	33.525	-8.48
	OVERSEAS	520	627	+20.58	2.692	2.487	-7.62
	TOTAL	**8,898**	**9,008**	**+1.24**	**39,323**	**36,012**	**-8.42**
ALL EXCHANGES	CONUS	$508.851	$514.712	+1.15	$1.906.352	$1.918.662	+0.65
	OVERSEAS	$338.078	$293.197	-13.28	$1.254.001	$1.147.962	-8.46
	TOTAL	**$646,929**	**$807,909**	**-4.61**	**$3,160,353**	**$3,066,624**	**-2.97**
DEPARTMENT STORES	*U.S.*	*$13.386bil.*	*$14.529bil.*	*+8.54%*	*$47.631bil.*	*$51.382bil.*	*+7.88%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region, service or system. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Includes sales of Navy uniforms, exchange mart, grocery sales, and concession sales. For the Northwest/Pacific Region, Alaska and Hawaii are listed in this index as overseas stores. NOTE: Individual figures may not add to totals because of rounding. Commissary sales include appropriate surcharges; exchange sales include concession volume.

Tobacco's Dramatic Year

By Associate Editor DAVID CRAIG

When it comes to saving money on tobacco products, military shoppers aren't just blowing smoke about lower prices.

Price value, generic and sub-generic cigarettes — those that save shoppers extra per carton — are one of the biggest trends in military tobacco sales today. The purchase motivation for price-conscious customers can be found in the savings, which can amount to several dollars per carton.

A few examples of the less expensive cigarettes on the market are R.J. Reynolds Tobacco's Doral and Magna lines and Philip Morris USA's Bucks and Cambridge brands.

Ralph Gaillard, director of military sales for R.J. Reynolds Tobacco Co., said there has been a "dramatic move" to the less expensive cigarettes in the military.

"It's quite a dramatic change," Gaillard told MILITARY MARKET.

"There's been a dramatic growth in the mid-price or the budget category in the military that indexes much larger than the civilian market," he noted.

Sheila Banks-McKenzie, director of media affairs for Philip Morris USA, said her company also has found that a "big growth category is the price value brand."

Sales of the less costly smokes account for a large percentage of the commissary cigarette business, she said.

In keeping with the Defense Department's health policies, commissaries have discouraged for several years any "glamorization" of tobacco products in the stores. The military also restricts promotions on tobacco products.

Under the smoking policy, companies may not display tobacco products off the shelf in commissaries. Prohibited are promotional activities such as free lighters or "tape-on" cigarette packs given to customers. The Defense Commissary Agency allows no special displays or giveaways of tobacco products at store grand openings or other promotions, the agency said.

Still, the latest commissary figures show increases in the sale of tobacco in stores throughout ConUS. Some of the largest increases over the 12 months preceding March 1992 were in the sale of smokeless tobacco, according to Military Audits of Market Information. *[EDITOR'S NOTE: Please see chart, page 33.]*

Smokeless products such as snuff and loose leaf tobacco are being sold at price value costs, too, Bill Pulley, a tobacco buyer for Northwest/Pacific Region commissaries, told MILITARY MARKET.

"They, as well, have come out with price value brands," Pulley said of the smokeless tobacco companies. He said tobacco sales in his region are growing.

MAMI statistics for the year ending March 1992 showed that more than 59 million cartons of cigarettes were sold in ConUS commissaries. This compared with sales of nearly 3 million packages of smokeless tobacco. But unit sales of cigarettes in commissaries rose by 8.8 percent compared to an increase of 19 percent for smokeless tobacco for the same period.

The Central Region experienced the largest growth, according to MAMI. Unit sales of cigarettes rose by 17.4 percent, while sales of smokeless products were up 27.2 percent. Dollar sales of cigarettes were more then $90 million for the region (up 26.5 percent), while dollar sales for smokeless tobacco reached $1.8 million (up 39.4 percent), MAMI said.

Lower price cigarettes have also made inroads in sales at exchanges. The Army and Air Force Exchange Service reported a "huge growth in generic cigarettes, while full price is declining," the agency said.

Four years ago generics totaled about 11 percent of the business at AAFES exchanges. They now account for about 36 percent of AAFES' business and are heading for 50 percent or more, AAFES said in response to a MILITARY MARKET inquiry.

Total 1991 tobacco sales at AAFES exceeded $170.9 million, up from nearly $160.9 million in 1990, the exchange service said. More than $4 million worth of lighters were sold.

Compared to the civilian market, cigarette sales in AAFES have stabilized; the commercial market has seen about a 2 percent drop per year, AAFES said.

The giant exchange agency said the most significant accomplishment of its tobacco buyers over the past year was "recognizing and reacting to [the] trend in generic cigarettes."

In Navy exchanges (most Navy commissaries do not sell tobacco products), fiscal 1990 ConUS sales of tobacco and smoking accessories were $106.5 million while overseas sales were $17.1 million. ConUS sales rose in fiscal 1991, reaching $116.1 million. But they dropped overseas, falling to $16.9 million, the Navy Exchange Service Command reported.

Marlboro cigarettes were top sellers in both AAFES and Navy exchanges, the agencies said.

NEXCOM reported that unit sales for full priced brand name cigarettes in Navy exchanges fell 9.1 percent in 1991. Meanwhile, price value cigarettes saw sales rise 19.8 percent. The overall market share for full-priced brands at Navy exchanges is 64 percent, compared to a 36 percent share for the price value brands. The price value cigarettes increased their market share by 5.6 percent over last year, NEXCOM said.

"The cigarette category in the Navy exchanges has followed the national sales trend," NEXCOM said. "The price value segment (mid-priced and generic brands) has grown to one third of the purchases, and some manufacturers have responded by expanding the variety and styles of their low-priced entries."

NEXCOM said Marlboro expanded its line to include Marlboro Medium, which NEXCOM called the "most successful full margin brand introduction in 10 years." Brown & Williamson's GPC — which is NEXCOM's exclusive contract source for black and white generics — "has been well received due to lower price points."

"This [GPC] brand enjoys a substantial retail price advantage over all competing brands," NEXCOM said.

Also selling well in Navy exchanges in 1991 were mid-priced brands, RJR's Doral, Philip Morris' Cambridge and Bucks and Brown & Williamson's Viceroy and Richland.

NEXCOM said its tobacco in-stock rate averages 95 percent.

Marine Corps exchanges reported tobacco sales of $35 million in fiscal 1991. Sales of tobacco products equaled 9.2 percent of total sales volume. During fiscal 1990, tobacco sales in Marine exchanges totaled $31 million for 8.6 percent of the volume. The 1989 sales figure was $29 million, or 8.2 percent, the Marine Corps retail public affairs office reported.

Several trends were noted by commissary buyers and tobacco suppliers.

In the Midwest, the top selling flavors in pipe tobacco are bourbon, black cherry, cherry blend and aromatics, Midwest Region buyer Charles Redepenning told MILITARY MARKET.

Menthol flavor cigarettes rank as the No. 20 and No. 40 most popular brands in the region, he said. Redepenning observed that menthols rank lower in his region than nationally, but he said he did not "really know why they would be like that." Sales can vary by region, he said, and perhaps one reason for the lower than usual ranking of menthols is the large number of retirees in the Midwest Region. "Maybe the older people just don't like the taste of menthol," Redepenning said.

Smokeless tobacco sales are up in the region, as well as cigarette sales, Redepenning said. Cigar sales have remained "firm with no real growth." The sale of lighters remains firm, he said.

In European commissaries, Marlboro soft pack and box cigarettes are top sellers "and have been for some time," Mel Fox, the European Region's chief of merchandising, said in a written response to questions.

Cigars in Europe "are basically a dead issue," he said. "We carry them, but they don't really sell well."

Lighters are the only smoking accessories carried in European commissaries. As with cigarettes, sales of lighters "have remained relatively steady over time," Fox said.

Cigarette sales in Europe are controlled through ration cards. "The only problems related to this practice are recurring problems — theft of cigarettes in the store, stolen ration cards, resale of cigarettes on the local economy that have been purchased with ration cards and misuse of ration cards," Fox said.

Meanwhile in DeCA's Southern Region, Jim Davidson, the buyer of tobacco products, said, "Cigarette sales continue to show a decline." But he noted that "price value brands are showing sales growth while standard price brand sales are declining."

Another trend in the Southern Region is the introduction of many new subgeneric brands, he said. However, "No significant changes have been noted in sales of nonmenthol vs. menthol brands," Davidson said.

DeCA's Central Region said name brand cigarettes account for about 51 pecent of its cigarette sales. Price value lines and generics make up the other 49 percent. "The trend is definitely towards the value lines," said Alan Flowers, the region's tobacco buyer.

"Light" ciagarettes are the best sellers in the Central Region "despite the advances made by value lines." Flowers said, "The popularity of cigars has steadily declined for several years and the tobacco industry does not anticipate any change to this trend. Pipe tobacco sales have remained steady, but are insignificant when compared to cigarettes."

Chewing tobacco is still popular but "devout snuff users are rare," Flowers said.

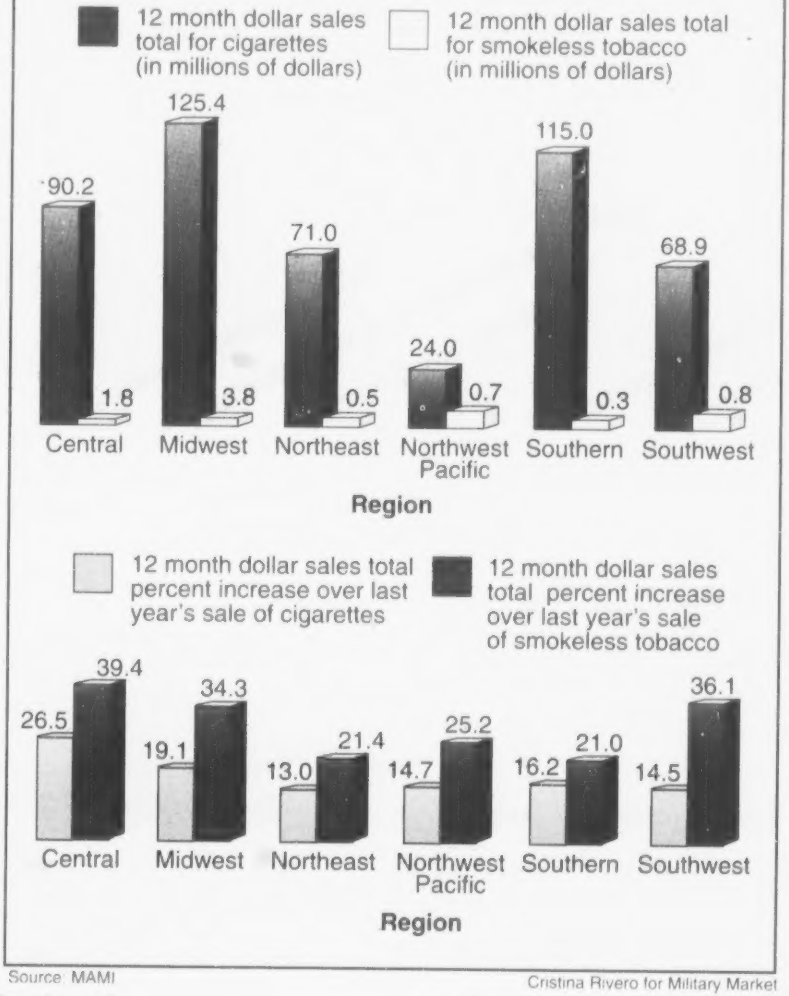
In cigarette lighters, Flowers said people prefer bright and flashy colors at the moment. Manufacturers are offering thinner, smaller "designer" lighters "with a high-tech electric spark ignitor."

RJR's Gaillard, who emphasized that the tobacco industry does not promote or encourage smoking among people younger than 21, said he doesn't expect to see "any dramatic growth" in the tobacco category.

Sales should continue "pretty much like they have been," Gaillard said. MM

Up in Smoke(less)

Although sales of both cigarettes and smokeless tobacco increased throughout DeCA's six ConUs regions during the 12 months ending March 1992, sales figures show that in terms of percent-of-growth, the trend is smokeless.



Source: MAMI

Cristina Rivero for Military Market

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■ **DeCA Worldwide Map**

Military Market

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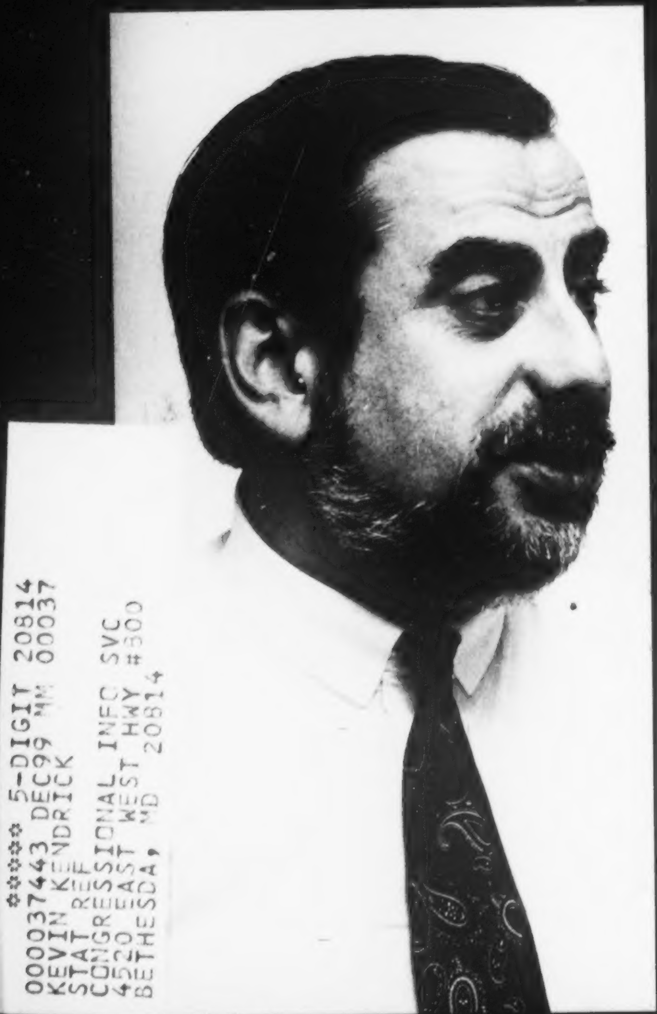

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Alex Douvres, Deputy Director, Navy Exchange Programs, NavSup

Capt. Roger Blood, Director, Navy Exchange Programs, NavSup

NAVY'S BELTWAY LIAISONS

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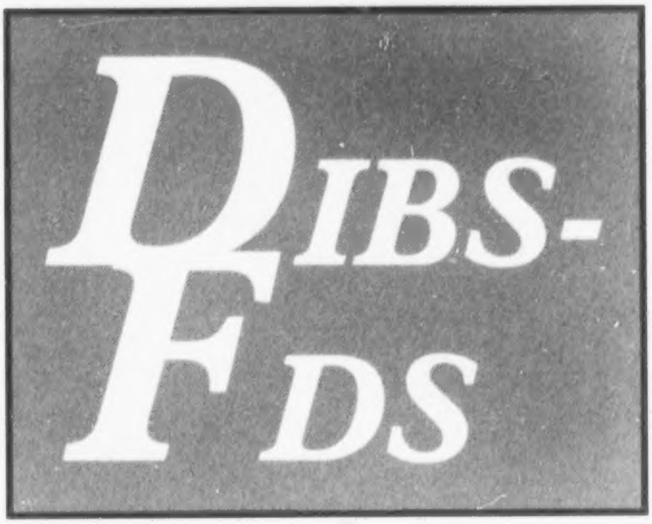

"DIBS" helps put the FREQUENCY in Frequent Delivery! — 36

SEPTEMBER 1992 **VOL. 43, NO. 9**

News

☐ DeCA employee testifies that agency erred in Promp Payment procedure. ☐ NEXCOM eyes Jacksonville HQ relocation. ☐ Regional price comparisons will become part of DeCA's monthly routine. ☐ Auburn NexCen closes with less than two weeks notice. ☐ AAFES may require additional retirements. ☐ LMI to review exchange computer proposals. ☐ Discount experiment in store for three AAFES sites. ☐ NEXCOM awaits DoD word on early retirement proposal. ☐ NEXCOM Strategic Initiatives Review. ☐ Written testimony from Senate DeCA bill-paying hearing. ☐ Senate favors retaining Fort Sheridan commissary beyond base's closure. ☐ DeCA names four national buyers. 12

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Military Market
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Military Market Index

COMMISSARIES		MAY				YEAR-TO-DATE			
		CY '91[2]	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91[2]	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$76,953	$77,001	+0.06	$1,878	$366,275	$369,447	+0.87	41
	OVERSEAS	375	403	+7.62	1,706	1,706	1,938	+13.58	1
	TOTAL	**77,327**	**77,404**	**+0.10**	**367,981**	**367,981**	**371,384**	**+0.92**	**42**
MIDWEST	CONUS	86,847	81,460	6.20	1,940	413,370	397,313	3.88	42
	OVERSEAS	0	0			0	0		0
	TOTAL	**86,847**	**81,460**	**-6.20**	**1,940**	**413,370**	**397,313**	**-3.88**	**42**
NORTHEAST	CONUS	71,995	70,283	2.38	1,528	342,677	332,651	2.93	46
	OVERSEAS	76	85	+11.49	85	347	388	+11.67	1
	TOTAL	**72,071**	**70,368**	**-2.36**	**1,497**	**343,025**	**333,039**	**-2.91**	**47**
SOUTHERN	CONUS	92,344	85,918	6.96	1,790	439,352	424,434	3.44	48
	OVERSEAS	5,429	6,317	+16.35	1,263	24,721	30,638	+23.93	5
	TOTAL	**97,773**	**92,235**	**-5.66**	**1,740**	**464,253**	**455,072**	**-1.98**	**53**
SOUTHWEST	CONUS	91,493	87,437	4.43	1,681	435,480	429,461	1.38	52
	OVERSEAS	0	0			0	0		0
	TOTAL	**91,493**	**87,437**	**-4.43**	**1,681**	**435,480**	**429,461**	**-1.38**	**52**
NORTHWEST/ PACIFIC	CONUS	23,792	22,995	3.35	1,769	113,242	111,339	1.68	13
	OVERSEAS	41,790	50,015	+19.68	1,163	190,293	237,979	+25.06	43
	TOTAL	**65,582**	**73,010**	**+11.33**	**1,304**	**303,535**	**349,317**	**+15.08**	**56**
EUROPE	CONUS	0	0		0	0	0		0
	OVERSEAS	57,591	60,636	+5.29	541	262,239	296,690	+13.14	112
	TOTAL	**57,591**	**60,636**	**+5.29**	**541**	**262,239**	**296,690**	**+13.14**	**112**
TOTAL COMMISSARIES	CONUS	$443,423	$425,094	4.13	$1,757	$2,110,577	$2,064,645	2.18	242
	OVERSEAS	$105,261	$117,456	+11.59	$725	$479,306	$567,632	+18.43	162
	TOTAL	**$548,684**	**$542,550**	**-1.12**	**$1,343**	**$2,589,883**	**$2,632,277**	**+1.64**	**404**
GROCERY STORES	*U.S. 1*	***$31.462bil.***	***$31.265bil.***	***-0.63***	*	***$141.688bil.***	***$145.858bil.***	***+2.94***	-

EXCHANGES		MAY			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$367,051	$367,774	+0.20	$1,689,500	$1,685,300	0.25
	OVERSEAS	308,226	227,169	**-26.30**	1,334,250	1,144,823	14.20
	TOTAL	**675,277**	**594,943**	**-11.90**	**3,023,750**	**2,830,123**	**-6.04**
MAIL ORDER	CONUS	1,548	1,354	12.53	8,091	6,321	21.88
	OVERSEAS	2,333	1,706	26.88	15,435	9,550	38.13
	TOTAL[3]	**3,881**	**3,060**	**-21.15**	**23,526**	**15,871**	**-32.54**
NAVY	CONUS[4]	118,595	114,399	3.54	544,891	547,744	+0.52
	OVERSEAS[4]	51,613	50,097	2.94	244,733	256,107	+4.65
	TOTAL[4]	**170,208**	**164,496**	**-3.36**	**789,624**	**803,851**	**+1.80**
MARINES CORPS	CONUS[3]	36,661	35,621	2.84	151,095	165,933	+9.82
	OVERSEAS[3]	4,805	5,167	+7.53	23,869	24,805	+3.92
	TOTAL[3]	**41,466**	**40,788**	**-1.64**	**174,964**	**190,738**	+9.02
COAST GUARD	CONUS[3]	8,375	8,391	+0.19	45,006	41,916	6.87
	OVERSEAS[3]	516	623	+20.74	3,208	3,110	3.05
	TOTAL[3]	**8,891**	**9,014**	**+1.38**	**48,214**	**45,026**	**-6.61**
ALL EXCHANGES	CONUS	$532,230	$527,539	0.88	$2,438,583	$2,447,214	+0.35
	OVERSEAS	$367,493	$284,762	22.51	$1,621,495	$1,438,395	11.29
	TOTAL	**$899,723**	**$812,301**	**-9.72**	**$4,060,078**	**$3,885,609**	**-4.30**
DEPARTMENT STORES	*U.S.*[1]	***$14.126bil.***	***$14.952bil.***	***+5.85%***	***$61.757il.***	***$66.496bil.***	***+7.67%***

NOTE: Distribution of sales by CONUS and overseas is basec on definition by respective region, service or system. Individual figures may not add to totals because of rounding. Commissary sales include appropriate surcharges; exchange sales include concession volume. For the Northwest /Pacific region, Alaska and Hawaii are listed in this index as overseas stores. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Includes sales of Navy uniforms, exchange mart grocery sales, and concession sales; does not include sales of ship stores.

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☐ Almanac ☐ 1993 Promotional Calendar

Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM
ARMY TIMES PUBLISHING COMPANY OCTOBER 1992 $10.00

ON THE AIR

AAFES Business Television Network

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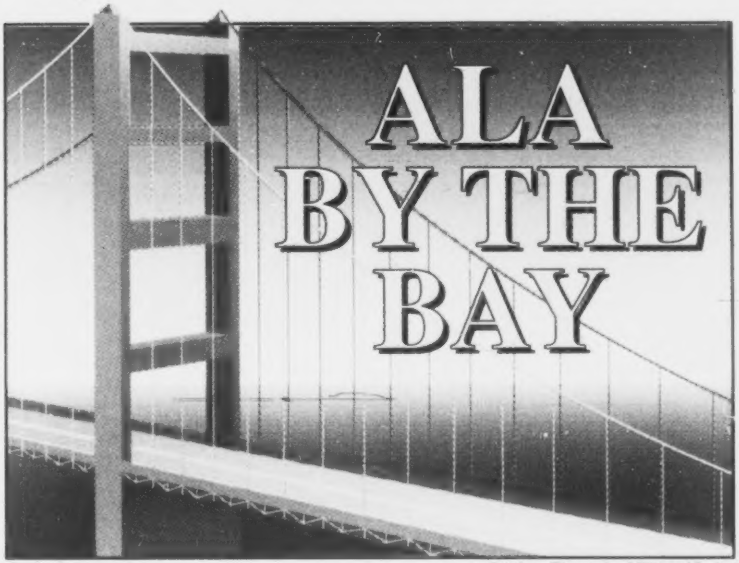

Cristina Rivero for Military Market

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News

☐ AAFES runs test of P&G replenishment at Dan Daniel. ☐ CPA stores named for AAFES lower price point tests. ☐ DeCA anticipates cutting European inventory to under $100 million. ☐ Decision postponed on NEXCOM move to Jacksonville. ☐ DeCA Midwest switches to bi-weekly promotion plan. ☐ Pentagon says commissary budget cut could mean closing of 39 stores. 10

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COVER DESIGN by JEROLD COUNCIL

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Military Market Index

COMMISSARIES		JUNE				YEAR-TO-DATE			
		CY '91[2]	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91[2]	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$77,733	$72,111	-7.23	$1,759	$444,008	$441,558	-0.55	41
	OVERSEAS	343	373	8.53	373	2,049	2,310	+12.74	1
	TOTAL	**78,077**	**72,484**	**-7.16**	**1,726**	**446,058**	**443,868**	**-0.49**	**42**
MIDWEST	CONUS	87,728	76,537	-12.76	1,822	501,098	473,850	-5.44	42
	OVERSEAS	0	0	-	-	0	0	-	0
	TOTAL	**87,728**	**76,537**	**-12.76**	**1,822**	**501,098**	**473,850**	**-5.44**	**42**
NORTHEAST	CONUS	72,725	65,526	-9.90	1,424	415,403	398,177	-4.15	46
	OVERSEAS	70	77	+9.60	77	417	465	+11.32	1
	TOTAL	**72,795**	**65,603**	**-9.88**	**1,396**	**415,820**	**398,642**	**-4.13**	**47**
SOUTHERN	CONUS	93,281	81,671	-12.45	1,701	532,813	506,105	-5.01	48
	OVERSEAS	4,977	5,959	+19.72	1,192	29,698	36,596	+23.23	5
	TOTAL	**98,258**	**87,630**	**-10.82**	**1,653**	**562,511**	**542,702**	**-3.52**	**53**
SOUTHWEST	CONUS	92,421	81,120	-12.23	1,560	527,901	510,581	-3.28	52
	OVERSEAS	0	0	-	-	0	0	-	0
	TOTAL	**92,421**	**81,120**	**-12.23**	**1,560**	**527,901**	**510,581**	**-3.28**	**52**
NORTHWEST/ PACIFIC	CONUS	24,033	22,101	-8.04	1,700	137,275	133,440	-2.79	13
	OVERSEAS	39,312	46,521	+21.43	1,082	228,605	284,500	+24.45	43
	TOTAL	**62,345**	**68,623**	**+10.07**	**1,225**	**365,880**	**417,940**	**+14.23**	**56**
EUROPE	CONUS	0	0	-	-	0	0	-	0
	OVERSEAS	57,797	53,506	+1.34	505	315,036	350,196	+11.16	106
	TOTAL	**57,797**	**53,506**	**+1.34**	**505**	**315,036**	**350,196**	**+11.16**	**106**
TOTAL COMMISSARIES	CONUS	$447,921	$399,066	-10.91	$1,649	$2,558,498	$2,463,711	-3.70	242
	OVERSEAS	$96,500	$106,435	+10.30	$682	$575,806	$674,067	+17.07	156
	TOTAL	**$544,421**	**$505,502**	**-7.15**	**$1,270**	**$3,134,304**	**$3,137,778**	**+0.11**	**398**
GROCERY STORES	*U.S.*[1]	*$30.443bil.*	*$30.103bil.*	*-1.12*	-	*$172.131bil.*	*$175.961bil.*	*+2.23*	-

EXCHANGES		JUNE			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$368,514	$373,933	+1.47	$2,058,014	$2,059,310	+0.06
	OVERSEAS	270,307	230,259	-14.82	1,604,560	1,371,900	-14.50
	TOTAL	**638,821**	**604,192**	**-5.42**	**3,662,574**	**3,431,210**	**-6.32**
MAIL ORDER	CONUS	1,668	1,158	-30.58	9,759	7,480	-23.35
	OVERSEAS	2,395	1,682	-29.77	17,831	11,233	-37.00
	TOTAL[3]	**4,063**	**2,840**	**-30.10**	**27,590**	**18,713**	**-32.17**
NAVY	CONUS[4]	134,001	132,691	-0.98	678,892	680,435	+0.23
	OVERSEAS[4]	61,765	60,397	-2.21	306,498	316,504	+3.26
	TOTAL[4]	**195,766**	**193,088**	**-1.37**	**985,390**	**996,939**	**+1.17**
MARINES CORPS	CONUS[2]	34,356	35,440	+3.16	185,451	203,648	+9.81
	OVERSEAS[2]	5,747	5,701	-0.80	29,616	35,783	+20.82
	TOTAL[2]	**40,103**	**41,141**	**+2.59**	**215,067**	**239,431**	+11.33
COAST GUARD	CONUS[2]	8,389	8,369	-0.24	53,395	50,285	-5.82
	OVERSEAS[2]	514	617	+20.04	3,722	3,727	+0.13
	TOTAL[2]	**8,903**	**8,986**	**+0.93**	**57,117**	**54,012**	**-5.44**
ALL EXCHANGES	CONUS	$546,928	$551,591	+0.85	$2,985,511	$3,001,158	+0.52
	OVERSEAS	$340,728	$298,656	-12.35	$1,962,227	$1,739,147	-11.37
	TOTAL	**$887,656**	**$850,247**	**-4.21**	**$4,947,738**	**$4,740,305**	**-4.19**
DEPARTMENT STORES	*U.S.*[1]	*$13.305bil.*	*$13.990bil.*	*+5.15%*	*$75.062bil.*	*$79.587bil.*	*+6.03%*

NOTE: Distribution of sales by CONUS and overseas is based on definition by respective region, service or system. Individual figures may not add to totals because of rounding. Commissary sales include appropriate surcharges; exchange sales include concession volume. For the Northwest /Pacific region, Alaska and Hawaii are listed in this index as overseas stores. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Includes sales of Navy uniforms, exchange mart grocery sales, and concession sales; does not include sales of ship stores.

Military Market
MAGAZINE

1992
ALMANAC

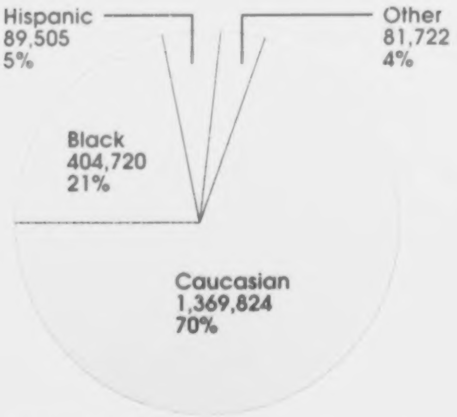
TOTAL POPULATION OF THE MILITARY COMMUNITY[1]

	Number	Percent
Active Duty		
Active duty personnel	1,945,771	16.2
Males	1,729,069	14.4
Females	216,702	1.8
Dependents		
Spouses	1,151,770	9.6
Children	1,617,280	13.5
Other	12,707	0.1
Total Active Duty	**4,727,528**	**39.4**
Retirees		
Retired Military	1,496,046	12.4
Spouses	1,270,100	10.6
Children	1,748,291	14.6
Total Retired	**4,514,437**	**37.6**
Reservists		
In paid status	1,150,259	9.6
Males	998,798	8.3
Females	151,461	1.3
Spouses	736,119	6.1
Children	881,245	7.3
Total Reservists	**2,767,623**	**23.0**
Total Military Community	**12,009,588**	**100.0**

[1] As of March 31, 1992. Includes both DoD and U.S. Coast Guard in active duty, retired and reserve personnel data.

SOURCES: DoD Directorate for Information, Operations and Reports, the DoD Office of the Actuary, and OASD (Reserve Affairs).

RACE BREAKDOWN OF ACTIVE DUTY MILITARY



As of March 31, 1992.
SOURCE: Research Department, Army Times Publishing Co.

ACTIVE DUTY MILITARY PERSONNEL BY SEX

Total	Active Duty	Percent Male	Percent Female
CY 1991	2,023,055	88.9	11.1
CY 1990	2,088,896	88.9	11.1
CY 1989	2,166,146	89.1	10.9
CY 1988	2,174,717	89.5	10.5
CY 1987	2,211,871	89.8	10.2
CY 1986	2,205,497	89.8	10.2
CY 1985	2,190,016	90.2	9.8
CY 1984	2,176,628	90.6	9.4
CY 1983	2,123,349	90.7	9.3
CY 1982	2,108,612	91.0	9.0

As of March 31, 1992.
SOURCES: DoD and Department of Transportation

AGE BREAKDOWN OF ACTIVE DUTY MILITARY

Years of age	Men	Women	All
Under 21	14.56%	14.29%	14.52%
21-25	30.32%	32.26%	30.53%
26-29	17.75%	20.28%	18.03%
30-34	16.71%	17.97%	16.86%
35-39	12.16%	10.59%	11.99%
40 and over	8.50%	4.61%	8.07%
Total	**100.00%**	**100.00%**	**100.00%**

As of March 31, 1992. Does not include Coast Guard.
SOURCE: DoD Directorate of Information, Operations & Reports

AGE DISTRIBUTION OF WIVES OF ACTIVE DUTY MILITARY

Years of age	Number	Percent
Under 20		5.0%
20-24		28.5%
25-29		26.6%
30-34		21.4%
35-39		14.3%
40 and over		4.2%
Total	**1,151,770**	**100.0%**

As of March 31, 1992.
SOURCE: Defense Eligibility Enrollment System.

AGE DISTRIBUTION OF DEPENDENT CHILDREN OF ACTIVE DUTY MILITARY

Years of age	Number	Percent
Under 5	499,740	30.9%
5-9	562,813	34.8%
10-14	393,000	24.3%
15-17	161,727	10.0%
Total	**1,617,280**	**100.0%**

As of March 31, 1992.
SOURCE: Defense Eligibility Enrollment System.

RESERVE FORCES IN PAID STATUS

	Reserve Forces	Percent Branch	Percent All Services
Army Reserve			
Officers	59,033	19.3%	5.1%
Enlisted	246,539	80.7%	21.4%
Total	305,572	100.0%	26.5%
Army National Guard			
Officers	49,452	11.2%	4.3%
Enlisted	393,801	88.8%	34.2%
Total	443,253	100.0%	38.4%
Naval Reserve			
Officers	27,282	18.5%	2.4%
Enlisted	120,234	81.5%	10.4%
Total	147,516	100.0%	12.8%
Marine Corps Reserve			
Officers	3,418	7.8%	0.3%
Enlisted	40,671	92.2%	3.5%
Total	44,089	100.0%	3.8%
Air Force Reserve			
Officers	16,631	20.0%	1.4%
Enlisted	66,371	80.0%	5.8%
Total	83,002	100.0%	7.2%
Air National Guard			
Officers	14,213	12.1%	1.2%
Enlisted	103,619	87.9%	9.0%
Total	117,832	100.0%	10.2%
Total DoD Reserves			
Officers	170,029	14.9%	14.7%
Enlisted	971,235	85.1%	84.2%
Total	1,141,264	100.0%	99.0%
Coast Guard Reserve[1]			
Officers	1,625	13.7%	0.1%
Enlisted	10,214	86.3%	0.9%
Total	11,839	100.0%	1.0%
All Services			
Officers	171,654	14.9%	14.9%
Enlisted	981,449	85.1%	85.1%
Grand Total	**1,153,103**	**100.0%**	**100.0%**

As of Fiscal Year 1992.

[1] The Coast Guard is part of the Department of Transportation.

SOURCE: Office of the Assistant Secretary of Defense (Reserve Affairs).

ACTIVE DUTY MILITARY BY RANK, SEX AND SERVICE

	Army		Navy		Marine Corps		Air Force	
Rank	Male	Female	Male	Female	Male	Female	Male	Female
OFFICERS								
O-7 to O-10	371	4	246	3	66	1	315	4
O-6	4,498	166	3,451	127	626	9	4,900	137
O-5	9,716	797	7,190	636	1,575	24	11,295	795
O-4	15,692	2,048	11,811	1,735	3,041	104	15,896	2,379
O-3	27,493	4,932	20,700	2,999	5,943	215	36,303	6,620
O-2	10,107	2,177	8,733	1,134	3,498	138	8,267	2,051
O-1	7,488	1,601	7,183	1,176	2,250	88	5,133	1,214
W-4	2,007	11	616	1	231	2	---	---
W-3	3,843	91	754	9	347	6	---	---
W-2	6,119	304	1,470	74	792	51	---	---
W-1	2,185	121	8	35	329	29	---	---
WARRENT OFFICERS	**14,154**	**527**	**2,848**	**119**	**1,699**	**91**	**---**	**---**
TOTAL OFFICERS	**89,519**	**12,252**	**62,162**	**7,929**	**18,698**	**670**	**82,109**	**13,200**
ENLISTED								
E-9	4,034	76	4,927	68	1,442	19	4,135	90
E-8	12,111	460	10,318	409	3,491	63	7,464	442
E-7	47,321	3,558	32,228	1,879	9,040	311	34,903	2,955
E-6	75,121	8,141	78,008	7,160	14,331	839	49,107	6,550
E-5	100,054	12,729	94,783	12,314	23,774	1,377	90,733	13,152
E-4	160,118	24,581	91,660	11,891	30,701	1,755	90,386	18,527
E-3	66,824	8,858	59,675	9,804	55,704	2,708	45,105	10,896
E-2	31,005	4,309	39,580	4,079	17,836	746	13,826	3,288
E-1	22,678	3,100	22,419	2,215	9,219	354	8,622	2,087
TOTAL ENLISTED	**519,266**	**65,812**	**433,598**	**49,819**	**165,538**	**8,172**	**344,281**	**57,987**
CADETS/MIDSHIPMEN	**3,794**	**497**	**3,828**	**445**	**---**	**---**	**3,840**	**521**
GRAND TOTAL	**612,579**	**78,561**	**499,588**	**58,193**	**184,236**	**8,842**	**430,230**	**71,708**

	Total DoD			Coast Guard		Total All Services		
Rank	Male	Female	Total	Male	Female	Male	Female	Total
OFFICERS								
O-7 to O-10	998	12	1,010	31	0	1,029	12	1,041
O-6	13,475	439	13,914	381	1	13,856	440	14,296
O-5	29,776	2,252	32,028	715	11	30,491	2,263	32,754
O-4	46,440	6,266	52,706	1,035	38	47,475	6,304	53,779
O-3	90,439	14,766	105,205	1,531	125	91,970	14,891	106,861
O-2	30,605	5,500	36,105	1,114	132	31,719	5,632	37,351
O-1	22,054	4,079	26,133	590	84	22,644	4,163	26,807
W-4	2,854	14	2,868	424	0	3,278	14	3,292
W-3	4,944	109	5,053	327	5	5,271	114	5,385
W-2	8,381	429	8,810	799	16	9,180	445	9,625
W-1	2,522	185	2,707	0	0	2,522	185	2,707
WARRENT OFFICERS	**18,701**	**737**	**19,438**	**1,550**	**21**	**20,251**	**758**	**21,009**
TOTAL OFFICERS	**252,488**	**34,051**	**286,539**	**6,947**	**412**	**259,435**	**34,463**	**293,898**
ENLISTED								
E-9	14,538	253	14,791	304	0	14,842	253	15,095
E-8	33,384	1,374	34,758	563	6	33,947	1,380	35,327
E-7	123,492	8,703	132,195	2,753	80	126,245	8,783	135,028
E-6	216,567	22,690	239,257	5,513	340	222,080	23,030	245,110
E-5	309,344	39,572	348,916	5,688	548	315,032	40,120	355,152
E-4	372,865	56,754	429,619	7,200	703	380,065	57,457	437,522
E-3	227,308	32,266	259,574	3,965	379	231,273	32,645	263,918
E-2	102,247	12,422	114,669	2,985	440	105,232	12,862	118,094
E-1	62,938	7,756	70,694	637	110	63,575	7,866	71,441
TOTAL ENLISTEDS	**1,462,683**	**181,790**	**1,644,473**	**29,608**	**2,380**	**1,492,291**	**184,170**	**1,676,461**
CADETS/MIDSHIPMEN	**11,462**	**1,463**	**12,925**	**---**	**---**	**11,462**	**1,463**	**12,925**
GRAND TOTAL	**1,726,633**	**217,304**	**1,943,937**	**36,555**	**2,792**	**1,763,188**	**220,096**	**1,983,284**

DoD figures as of 1/1/92. Coast Guard figures as of August 31, 1992.

TOTAL INCOME OF THE MILITARY UNIVERSE, FY 1992

Active duty military, total	**$82.2 Billion**
Military pay, allowances, benefits	72.7 Billion
Working wives income and "moonlighting"	9.5 Billion
Retired military, total	65.9 Billion
Pensions	24.4 Billion
Second-career jobs	30.1 Billion
Working wives income	11.4 Billion
Reserves in paid status, total	42.5 Billion
Reserve training pay	7.0 Billion
Employment income	28.1 Billion
Working wives income	7.4 Billion
Total income, military universe	$190.6 Billion

SOURCE: DoD Personnel Budget for Fiscal Year 1992 and Department of Commerce and Bureau of the Census data for non-government income of families in the military community

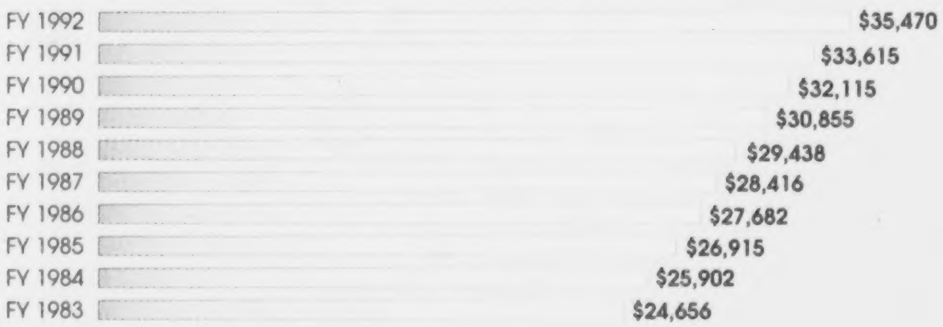
1992 ACTIVE DUTY MILITARY ANNUAL COMPENSATION

Average military compensation	$35,470[1]
Regular military compensation	28,093
Basic pay	19,019
Basic allowance for quarters & VHA	5,253
Basic subsistence allowance	2,332
Federal income tax advantage	1,489
Special pays and consumption advantages	7,377
Special allowances	673
Special and incentive pay and bonuses	1,248
Commissary and exchange savings	625
Free/reduced cost medical & dental care	2,764
Retirement credit, current year's service	765
Social security payments, government contribution	1,302

[1] Annual rate, including value of special pays and allowances, fringe benefits and consumption advantages. The breakdown above represents per capita amounts derived by dividing the total value of each category by the number of active duty personnel.

SOURCE: Estimates based on DoD Personnel Budget for Fiscal Year 1992 and data on regular military compensation obtained from the Directorate of Compensation, OASD (Force Management and Personnel).

AVERAGE MILITARY COMPENSATION FOR THE PAST 10 YEARS



SOURCE: DoD Military Personnel Budget for the years shown

LARGEST SUPERMARKET CHAINS, CY 1991

$ in billions

1.	Kroger	$21.4
2.	American Stores	20.8
3.	Safeway	15.1
4.	A & P	11.4
5.	Winn Dixie	10.1
6.	Albertson's	8.7
7.	**Worldwide Commissaries**	**6.4**
8.	Vons Companies	5.4
9.	**Domestic Commissaries**	**5.2**

Note: Commissary sales include the 5 percent surcharge.
SOURCES: Sales of civilian supermarket chains were obtained from Standard and Poor's STANDARD CORPORATION DESCRIPTIONS. Military commissary sales are as reported by the headquarters office of the commissary system.

LARGEST DEPARTMENT STORE AND VARIETY CHAINS, CY 1991

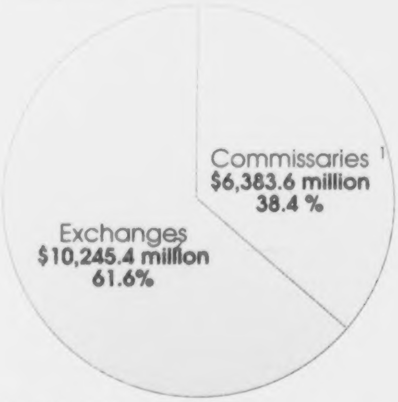
$ in billions

1.	Wal-Mart (est.)	$38.3
2.	KMart (est.)	34.4
3.	Sears	31.3
4.	J.C. Penney (est.)	17.1
5.	Dayton-Hudson	16.1
6.	**Worldwide Exchanges**	**10.1**
7.	May Department Stores (est.)	10.0
8.	F.W. Woolworth	9.9
9.	**Domestic Exchanges**	**6.3**

SOURCE: Sales of civilian department store chains were obtained from Standard and Poor's STANDARD CORPORATION DESCRIPTIONS. Military exchange sales are as reported by the headquarters offices of the exchange systems.

THE MARKET'S RETAIL SALES

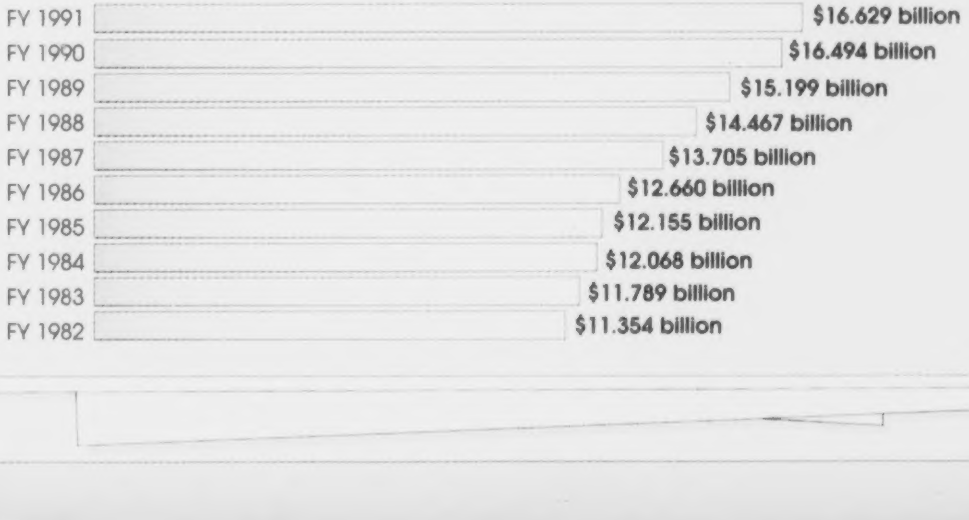
Total $16,629.0 million



[1] Includes appropriate surcharges.

[2] Includes sales by mail order catalog, concessions, food service and personal services as well as retail department sales.

COMBINED SALES FOR COMMISSARIES AND EXCHANGES



COMMISSARY SALES BY DECA REGION FY 1991

$ in millions

System	Domestic	Percent of Total	Overseas	Percent of Total	Worldwide	Percent of Total
Southern	$1,026.1	20.9%	$69.6	4.7%	$1,095.7	17.2%
Southwest	1,013.2	20.7%			1,013.2	15.9%
Midwest	961.7	19.6%			961.7	15.1%
Central	852.2	17.4%	5.0	0.3%	857.2	13.4%
Northwest/Pacific	250.9	5.1%	575.1	38.8%	826.0	12.9%
Northeast	797.3	16.3%	1.0	0.1%	798.3	12.5%
European			775.2	52.3%	775.2	12.1%
State Department			56.2	3.8%	56.2	0.9%
TOTAL	**$4,901.4**	**100.0%**	**$1,482.2**	**100.0%**	**$6,383.6**	**100.0%**

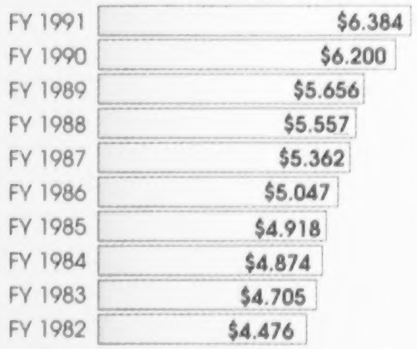
EXCHANGE SALES BY REGION FY 1991

$ in millions

System	Domestic	Percent of Total	Overseas	Percent of Total	Worldwide	Percent of Total
		65.7%				
AAFES	$4,329.0	22.1%	$3,172.4	86.6%	$7,501.3	73.2%
Navy	1,457.6	7.7%	445.5	12.2%	1,903.1	18.6%
Marine Corps	508.1	1.6%	36.5	1.0%	544.6	5.3%
Coast Guard	103.7	2.8%	6.8	0.2%	110.5	1.1%
Veterans Canteen Service	185.8				185.8	1.8%
TOTAL	**$6,584.2**	**100.0%**	**$3,661.2**	**100.0%**	**$10,245.4**	**100.0%**

10-YEAR COMMISSARY SALES GROWTH

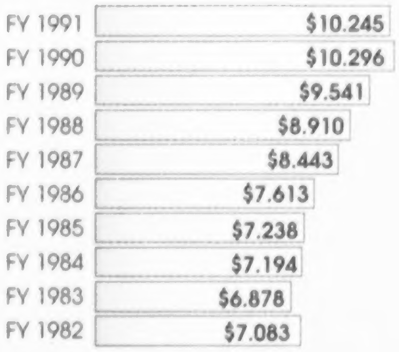
$ in billions



Sales includes appropriate surcharges
SOURCE: Headquarters office of commissary system

10-YEAR EXCHANGE SALES GROWTH

$ in billions



SOURCE: Headquarters offices of exchange systems

EXCHANGE RETAIL SALES BY DEPARTMENT AND BY AREA FY 1991

Department	ConUS	Percent	Overseas	Percent	Worldwide	Percent
Automotive	$127,796	2.4%	$62,944	2.1%	$190,740	2.3%
Gasoline [1]	466,038	8.6%	181,237	6.1%	647,275	7.7%
Automotive labor [2]	26,615	0.5%	8,872	0.3%	35,487	0.4%
Video rental (AAFES only)	11,877	0.2%	14,275	0.5%	26,152	0.3%
Tobacco products (incl. vending)	293,417	5.4%	70,624	2.4%	364,041	4.3%
Food, candy & snacks	268,067	5.0%	205,549	6.9%	473,616	5.6%
Beer & beverages [3]	257,687	4.8%	82,269	2.8%	339,956	4.0%
Distilled spirits & wine [4]	292,769	5.4%	87,945	2.9%	380,714	4.5%
Carbonated beverages [5]	77,804	1.4%	90,240	3.0%	168,044	2.0%
Toiletries	230,849	4.3%	115,771	3.9%	346,621	4.1%
Cosmetics & fragrances	174,958	3.2%	62,756	2.1%	237,714	2.8%
Military uniforms (incl. DPSC mdse.)	301,173	5.6%	90,979	3.0%	392,152	4.7%
Jewelry (incl. semi-precious jewelry) [6]	127,345	2.4%	80,735	2.7%	208,080	2.5%
Watches	54,108	1.0%	28,880	1.0%	82,988	1.0%
Stationery	75,073	1.4%	26,377	0.9%	101,450	1.2%
Party goods & greeting cards	77,108	1.4%	35,954	1.2%	113,062	1.3%
Books & periodicals	98,433	1.8%	34,945	1.2%	133,378	1.6%
Men's outerwear	116,090	2.1%	60,876	2.0%	176,966	2.1%
Men's furnishings	171,207	3.2%	89,780	3.0%	260,987	3.1%
Women's outerwear	166,201	3.1%	93,488	3.1%	259,689	3.1%
Women's lingerie	104,285	1.9%	38,181	1.3%	142,466	1.7%
Boyswear	46,593	0.9%	24,978	0.8%	71,571	0.9%
Girlswear	45,879	0.8%	23,320	0.8%	69,200	0.8%
Infants' & toddlers' wear	68,535	1.3%	32,998	1.1%	101,533	1.2%
Footwear	169,726	3.1%	85,118	2.9%	254,844	3.0%
Linens & domestics	73,529	1.4%	44,118	1.5%	117,647	1.4%
Yardage & sewing notions	3,913	0.1%	14,371	0.5%	18,284	0.2%
Dinnerware & flatware	18,787	0.3%	9,940	0.3%	28,727	0.3%
Kitchenware, pots & pans	53,507	1.0%	27,442	0.9%	80,949	1.0%
Giftware	58,551	1.1%	61,676	2.1%	120,227	1.4%
Cleaning supplies	59,964	1.1%	29,401	1.0%	89,366	1.1%
Traffic & major appliances	135,936	2.5%	69,405	2.3%	205,342	2.4%
Furniture & rugs	70,235	1.3%	93,483	3.1%	163,718	2.0%
Hardware, tools, garden & pet supplies	109,806	2.0%	42,069	1.4%	151,875	1.8%
Luggage	36,584	0.7%	16,131	0.5%	52,715	0.6%
Outdoor living	119,014	2.2%	22,165	0.7%	141,179	1.7%
Sporting goods & camping supplies	82,510	1.5%	45,017	1.5%	127,527	1.5%
Developed film	23,016	0.4%	8,951	0.3%	31,967	0.4%
Photographic, optical processing	76,666	1.4%	48,811	1.6%	125,477	1.5%
Toys & games	95,125	1.8%	82,679	2.8%	177,804	2.1%
Computers & accessories	76,544	1.4%	63,904	2.1%	140,448	1.7%
Home entertainment, musical	359,505	6.6%	435,860	14.6%	795,365	9.5%
Recorded sound & video	106,367	2.0%	140,424	4.7%	246,790	2.9%
Total retail sales	**$5,409,192**	**100.0%**	**$2,984,938**	**100.0%**	**$8,394,130**	**100.0%**

[1] AAFES Retail Department 2 and Navy Services Department J3. [2] AAFES Retail Department 3 and Navy Services Department J5. [3] AAFES Retail Department 23 and Navy Retail Department A6. [4] AAFES Retail Departments 22 and 25; Navy Retail Department A9. [5] AAFES Retail Department 29 and Navy Retail Department A6. [6] AAFES Retail Department 50 and Navy Retail Department D2.

SOURCE: Research Department, Army Times Publishing Company